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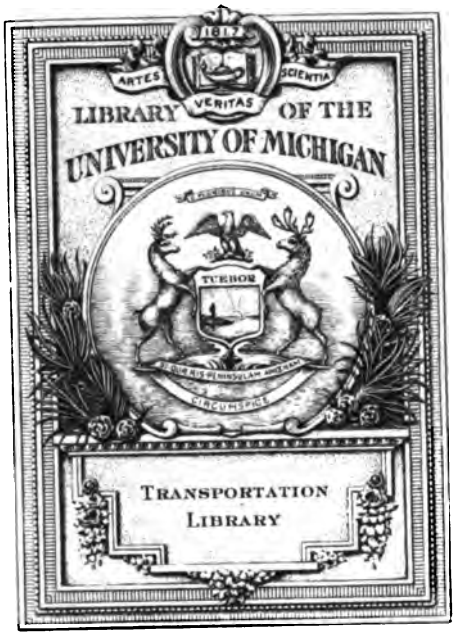
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INTERSTATE COMMERCE COMMISSION

AT MINNEAPOLIS, MINN., DECEMBER 17, 18 AND 19, 1906, AND
AT CHICAGO, ILL., DECEMBER 20 AND 21, 1906,

IN THE MATTER OF

CAR SHORTAGE AND OTHER INSUFFICIENT TRANSPORTATION FACILITIES

AND

REPORTS THEREON BY COMMISSIONERS LANE AND HARLAN

WASHINGTON
GOVERNMENT PRINTING OFFICE
1907

THE INTERSTATE COMMERCE COMMISSION.

Hon. MARTIN A. KNAPP, of New York, Chairman.
Hon. JUDSON C. CLEMENTS, of Georgia.
Hon. CHARLES A. PROUTY, of Vermont.
Hon. FRANCIS M. COCKRELL, of Missouri.
Hon. FRANKLIN K. LANE, of California.
Hon. EDGAR E. CLARK, of Iowa.
Hon. JAMES S. HARLAN, of Illinois.

EDWARD A. MOSELEY, Secretary.

11-24-39

LETTER OF TRANSMITTAL.

INTERSTATE COMMERCE COMMISSION,
Washington, February 19, 1907.

SIR: The Interstate Commerce Commission has the honor to transmit herewith in response to resolution of the United States Senate, dated February 15, 1907, a transcript of the testimony recently taken by the Commission at Minneapolis and Chicago, respecting the shortage of cars for the movement of freight.

Very respectfully,

MARTIN A. KNAPP,
Chairman.

The PRESIDENT OF THE SENATE OF THE UNITED STATES.

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CAR SHORTAGE AND INSUFFICIENT TRANSPORTATION FACILITIES.

UNITED STATES COURT ROOM,
Minneapolis, Minn., December 17, 1906—10.05 a. m.

Commissioner LANE. Please give me your attention, gentlemen.

This investigation into the general subject of car shortage is undertaken upon the initiative of the Interstate Commerce Commission itself, under the general power vested in that body by section 12 of the act to regulate interstate commerce, and related sections of said act.

The inquiry will be prosecuted in other portions of the country, but it is appropriate that it should open here, because it was prompted by the facts which developed at the hearing recently had in this city covering the relations of the grain elevators and the railroads, wherein it appeared that a large number of line elevators were at that time filled with grain and had been closed; that the grain buyers had in some cases posted notices upon their elevators stating that they could no longer buy grain because the railroads had failed to move the grain already on hand, and that as a result many of the farmers of the Northwest, being unable to market their crops, were without funds to meet their obligations or provide against the demands of the oncoming winter.

A controversy arose at the said hearing as to the responsibility for the deplorable conditions then prevailing. On the part of the railroads, Mr. James J. Hill presented the claim that the terminal elevators were not of sufficient capacity for the needs of the crops. This view was controverted by Mr. Heffelfinger, representing the grain elevators, who cited figures showing that the terminal elevators were almost empty and had been so throughout the grain-receiving season.

It is the purpose of the Commission at this time to enter fully into the conditions and practices respecting the movement of freight which obtains in the Northwest, and to search for the reasons or causes which tend to justify or condemn the same. We wish to know whether the shipper or the consignee is in whole or in part to blame, either in his method of delivering or receiving freight, or whether the fault lies with the carriers, because of either their indifference to public necessity, their lack of foresight in providing necessary equipment and terminal facilities, or their too great regard for interests not wholly compatible with the most efficient transportation service. We wish to know how far whatever delinquencies that are apparent may be excused because of the unparalleled and not to be expected crop, and whether all reasonable effort was made to meet the ever-growing demands of this section of the country. We

wish to learn also how present conditions may be promptly improved and what steps have been taken toward effecting such improvement.

And it is further desired by the Commission to discover whether conditions, if resulting from railroad methods, are such as can be remedied by the carriers themselves, and whether such is their determination, as evidenced by policies already adopted and immediately contemplated; or if it shall be necessary to advise legislation by the Congress which will insure as well as may be against the recurrence of such public calamity as arises from so-called car shortage.

To these ends the Commission had had a corps of trained investigators in this field for the past two weeks and more, who have reported not only an inability on the part of the shipping farmer and country dealer to secure the prompt movement of his freight bound eastward to the markets, but a possibly still more serious misfortune in the inability of the general public throughout certain portions of the Northwest, especially where competitive railroad conditions do not exist, to secure the movement of coal and other necessaries which move westward.

This present hearing will therefore proceed to develop answers to the following questions:

1. What are the real conditions respecting the movement of freight in the States of Minnesota and North and South Dakota?

2. Is there a shortage of freight cars or locomotives in the roads serving these States; and if so, has all practicable been done to overcome such shortage?

3. Is proper and profitable use made of all cars and locomotives available?

4. Are trains so made up and operated as to best serve the interests of the public?

5. Is it within the power of the railroads to remedy the present troubles and insure, by adopting other methods of handling and interchanging cars, against their continuance?

6. What legislation, if any, would serve to induce the more prompt handling of freight by both railroads, shippers, and consignees?

Mr. John H. Marble is the attorney for the Commission, representing us here.

Mr. Marble, you may call your first witness.

Mr. MARBLE. I will call Mr. Jamme.

L. T. JAMME, called as a witness, was duly sworn, and testified as follows:

Mr. MARBLE. Mr. Jamme, you reside in the city of Minneapolis?

Mr. JAMME. Yes, sir.

Mr. MARBLE. And you are secretary of the chamber of commerce of this city?

Mr. JAMME. I am.

Mr. MARBLE. What is the chamber of commerce?

Mr. JAMME. The chamber of commerce is an organization—a voluntary organization—consisting of individuals engaged in dealing in produce. The chamber of commerce is composed primarily of individuals—its membership is individuals. These individuals are dealers, commission men, elevator men, millers, and brokers in mill products, grain, feed, flour, and so on.

Mr. MARBLE. Practically all of the grain trade of the city of Minneapolis is done through your exchange, is it?

Mr. JAMME. Practically so; yes.

Mr. MARBLE. And it is part of your duty as secretary to keep account of the receipts of grain in this market?

Mr. JAMME. Yes, sir.

Mr. MARBLE. From year to year?

Mr. JAMME. Yes, sir.

Mr. MARBLE. And you have done so?

Mr. JAMME. Yes, sir.

Mr. MARBLE. And you have prepared certain comparative sheets showing the receipts for this year as compared with the receipts for other years, have you?

Mr. JAMME. Yes, sir.

Mr. MARBLE. What other years have you compared those figures with?

Mr. JAMME. For the years 1905, 1904, and 1903.

Mr. MARBLE. And the comparison is month by month? Is that right?

Mr. JAMME. Not exactly, Mr. Marble. The comparison I have made here is to show the movement of all kinds of grain into Minneapolis during the first three months of the crop, September, October, and November (I have not gone into December) as compared with the total movement into this market for the entire crop. It makes the comparisons for four years.

Mr. MARBLE. And you have divided those figures according to the railroads, and have shown what each of the railroads has done for each of those months and for each crop?

Mr. JAMME. Yes, sir.

Mr. MARBLE. What year did you begin with?

Mr. JAMME. I began with the year 1903.

Mr. MARBLE. What were the total receipts of grain in this market for that year?

Mr. JAMME. The total receipts of grain on that crop of 1903?

Mr. MARBLE. Yes.

Mr. JAMME. They were for the twelve months on that crop 136,974,120 bushels.

Mr. MARBLE. And for the three months.

Mr. JAMME. For the three months—September, October, and November—the total receipts of all grain were 58,343,340 bushels.

Mr. MARBLE. Now, for each of the succeeding years, give us the similar figures showing the comparison.

Mr. JAMME. The total receipts of grain at this market on the crop of 1904 were 139,333,200 bushels. For the three months they were 61,330,460 bushels. For the crop of 1905, the total receipts were 145,968,560 bushels. For the three months they were 66,197,190 bushels. For the crop of 1906, the receipts for the twelve months—of course, I can not give it so as to make a comparison. I am obliged to take the three months of September, October, and November, and then estimate the other nine months there for this period of this year. Is that clear?

Mr. MARBLE. That is clear. It is an estimate for the year, but for the three months you have the exact figures?

Mr. JAMME. Yes, sir.

Mr. MARBLE. What were the receipts for the three months?

Mr. JAMME. They were 42,983,220 bushels, taking the first three months of this crop year. Using the nine months of this year—the preceding nine months—in order to make the twelve months, we took the first nine months and the total receipts were 138,423,290 bushels.

Mr. MARBLE. You estimate that is what it will be?

Mr. JAMME. Yes; although it is difficult to estimate that.

Mr. MARBLE. For the three months—for those three months there you might say that you were 24,000,000 bushels short in this market?

Mr. JAMME. As compared with the year previous we were 23,214,000 bushels short?

Mr. MARBLE. And as compared with two years ago, you are about 18,000,000 bushels short?

Mr. JAMME. Yes; about 18,000,000.

Mr. MARBLE. Now, you also have, as secretary, posted daily bulletins of your receipts, have you not, showing the comparison of the receipts for this crop year with the corresponding period of the last crop year?

Mr. JAMME. Yes, sir.

Mr. MARBLE. What will be the figures for to-day on that—about what is the shortage up to this date?

Mr. JAMME. I have forgotten, Mr. Marble, just what those figures are.

Mr. MARBLE. It is in the neighborhood of 20,000,000 bushels, is it not?

Mr. JAMME. I have made the memorandum, and I should say in the neighborhood of 20,000,000 bushels.

Mr. MARBLE. Short to-day?

Mr. JAMME. That information can be given accurately. I would not want to testify to that as being correct.

Mr. MARBLE. What railways, principally, are short in their deliveries this year as compared with their deliveries last year.

Mr. JAMME. Practically all of the lines coming to Minneapolis. They have not brought as much grain to this market as in the year previous, with the exception of one line. Its receipts are largely made up of winter wheat.

Mr. MARBLE. That line is the Chicago Great Western?

Mr. JAMME. Yes, sir; that line is the Chicago Great Western.

Mr. MARBLE. And will you say that any roads in particular are responsible for the deficit in the market as shown by your figures?

Mr. JAMME. Our figures indicate that the lines which deliver the greatest amount of grain in this market—the deficit seems to be largely with them.

Mr. MARBLE. Those, of course, are the roads running to the Northwest?

Mr. JAMME. And if you would like I will give you the figures or receipts by the different lines.

Mr. MARBLE. Yes; kindly give us those for the principal lines.

Mr. JAMME. The Chicago, Milwaukee and St. Paul received during the year 1903—the crop of 1903—31,401,830 bushels of all grains, and during the three months, September, October, and November, their receipts were 11,471,200 bushels.

For 1904 their total receipts were 25,358,000 bushels; during the three months their receipts were 12,145,000 bushels.

During 1905 their total receipts were 28,566,000 bushels; during the three months their receipts were 14,000,000 bushels.

In 1906—making the same comparison as I did before, for the sake of comparison—their total receipts will probably be 26,931,000 bushels, while their receipts during the three months are 9,994,000 bushels; practically 10,000,000.

The Chicago, St. Paul, Minneapolis and Omaha Railway received in 1903, 20,594,000 bushels; during the three months, 9,060,000 bushels.

In 1904 their total receipts were 17,000,000 bushels; during the three months they were 8,404,000 bushels.

For 1905 the total receipts were 19,503,000 bushels; during the three months they were 10,145,000 bushels.

For 1906, estimated, their total receipts were 22,375,000 bushels; during the three months they were 7,834,000.

For the Minneapolis and St. Louis the total receipts for 1903 were practically 7,909,000; during the three months they were 2,620,000.

During 1904, total receipts 7,897,000, as compared with 3,429,000.

During 1905 their total receipts were 7,169,000, as compared with 3,395,000. You understand the way I am giving you these?

Mr. MARBLE. Yes, sir.

Mr. JAMME. In 1906, estimated, the total receipts were 5,546,000, as against 1,809,000 for the three months.

For the Wisconsin Central for the year 1903 the total receipts were 1,450,000, as compared with 522,000.

For 1904 the total receipts were 211,000, as compared with 8,000.

The Wisconsin Central lines are east from here.

In 1905 the total receipts were 293,000, as compared with 10,000.

In 1906, estimated, the total receipts were 425,000, as compared with 8,000.

Now, take the Great Northern. The total receipts for the year 1903 were 42,561,000, as compared with 19,094,000 for the three months.

For 1904 the total receipts were 48,242,000, as compared with 18,139,000 for the three months.

For 1905 the total receipts were 50,982,000, as compared with 20,265,000 for the three months.

For 1906, estimated, the total receipts were 45,188,000, as compared with 11,012,000.

Mr. MARBLE. That is to say, for the three months of crop year last year the Great Northern shipped 20,265,000 in those three months and in this year 11,012,000?

Mr. JAMME. Yes, sir.

Mr. MARBLE. And a 9,253,000 deficit is to be found there?

Mr. JAMME. I will say that their usual receipts for the three months are about 40 per cent of the crop that moves during the three months, and this year the percentage is 24 per cent during the three months.

Now, take the Northern Pacific Railway. For the year 1903 the total receipts were 8,344,000, as compared with 4,865,000 for the three months.

For 1904 the total receipts were 13,007,000, as compared with 6,244,000 for the three months.

For 1905 the total receipts were 12,139,000, as compared with 5,082,000 for the three months.

For 1906, estimated, the total receipts were 9,598,000, as against 2,552,000 for the three months.

The Chicago Great Western's total receipts for 1903 were 6,177,000, as compared with 2,027,000 for the three months.

For 1904 their total receipts were 5,721,000, as against 2,424,000 for the three months.

For 1905, 4,789,000, as compared with 1,000,000 for the three months. That is, in reality, for the three months they were 1,709,000 bushels.

For 1906, estimated, the total receipts were 5,992,000, as compared with 3,175,000 for the three months.

Those receipts are largely made up of winter wheat, which varies a great deal.

Now, take the Chicago, Burlington and Quincy. Their total receipts during the year 1903 were 3,959,000 bushels, as compared with 934,000 bushels for the three months.

For 1904 their total receipts were 2,671,000 bushels, as compared with 725,000 for the three months.

For 1905 their total receipts were 2,390,000, as compared with 589,000 for the three months.

Now, the estimated total receipts for 1906 are 572,700, as compared with 69,000 for the three months.

The Soo Line's total receipts for the year 1906 were 11,314,910; during the three months, 6,450,000.

Mr. MARBLE. 1903, don't you mean?

Mr. JAMME. Yes; 1903. There were total receipts, 11,314,910, and the receipts for the three months, 6,450,000.

For 1904 the total receipts were 14,909,000 bushels; during the three months they were 7,410,000 bushels.

During 1905 the total receipts were 16,548,000 bushels, as against 8,693,000 bushels for the three months.

For 1906, estimated, the total receipts were 19,147,000 bushels, as against 5,246,000 for the three months.

The Chicago, Rock Island and Pacific's total receipts for 1903 were 3,260,000 bushels, as compared with 1,296,000 for the three months.

For 1904 their total receipts were 4,049,000, as compared with 2,097,000 for the three months.

For 1905 their total receipts were 3,586,000, as compared with 1,928,000 for the three months.

For 1906, estimated, the total receipts for the year were 2,643,000, as compared with 1,281,000.

Mr. MARBLE. Has the crop to the south of Minneapolis this year been a fair average crop, in your estimation, from your advices?

Mr. JAMME. As far as our advices indicate, Mr. Marble, in this southern Minnesota territory the weather conditions have militated against the crop during the harvest season to a large extent, so that possibly it would be a fair statement to make that our crop movement from there this year, in total bushels, will not probably be as great into this market as a year ago.

Mr. MARBLE. Take the crop to the north and northwest; is that a average crop?

Mr. JAMME. I think I am safe in testifying that in total bushels to move on that crop of 1906 that the volume should be as great if not greater than for 1905.

Commissioner LANE. How much greater?

Mr. JAMME. That would be impossible to state, your Honor.

Commissioner LANE. Can you not approximate it?

Mr. JAMME. From all advices we can receive from elevator companies and others, who were in a position to judge, undoubtedly the total crop in northwest and northern Minnesota and North Dakota will be at least in total bushels as great as for the year 1905, but it will be impossible now to state the volume. The wheat has probably increased considerably, but it is a problem this year as to the condition of other crops, as to how much will actually be marketed. I do not think that anyone would be in a position to state accurately as to that at this time.

Mr. MARBLE. Take North Dakota alone. Can you state as to the crop there, whether it will be greater or less than last year?

Mr. JAMME. I have not seen any advices, Mr. Marble, that would justify a definite opinion on that. I think, however, that it would be safe to assume that there would be as much grain to move from North Dakota, if not more. Certain indications indicate a larger yield this year than last.

Mr. MARBLE. Certainly you could say that there is no failure in crop to explain that failure in movement?

Mr. JAMME. It would be safe to say that there was no such basis.

Mr. MARBLE. You are acquainted with the elevator conditions in this terminal, are you not?

Mr. JAMME. Yes.

Mr. MARBLE. Can you say whether or not the elevators are at this point responsible for the delay in the transportation by their slowness in unloading cars?

Mr. JAMME. I think I am safe in testifying, Mr. Marble, that the elevators here are unloading what cars are set at their houses with dispatch. There undoubtedly does not exist any delay in unloading cars coming to the elevators in Minneapolis.

Mr. MARBLE. Have any complaints come to you that there was delay?

Mr. JAMME. None.

Mr. MARBLE. That is part of your business, to keep track of the cars that come into the city, is it not, and to know where they are set and how long it takes to unload them into the elevators?

Mr. JAMME. I do not go into the details of that character, but one of my duties is to see that our business here is handled as promptly as possible.

The chamber of commerce uses its efforts to secure the prompt movement of business here as far as it can, in the interest of its patrons, as well as its own. Necessarily, the prompt handling of business here is an advantage to this market.

Mr. MARBLE. These figures you have prepared—you have made those up from your Chamber of Commerce records?

Mr. JAMME. Yes, sir. Now there is the question of grain in store.

Mr. MARBLE. If you will kindly tell us the amount of grain in store at Minneapolis last year, as compared with this year at this time?

Mr. JAMME. The total number of bushels in store on the 13th of this last month, 1906, was 7,245,695. On December 16, 1905, we had 17,207,852 bushels in store. On December 17, 1904, we had 21,857,599. In 1903, we had 13,707,720.

Mr. MARBLE. I will ask that these figures be made an exhibit to Mr. Jamme's testimony and filed in the record.

(The same is received in evidence and marked "Exhibit No. 1 to Mr. Jamme's testimony.")

Commissioner HARLAN. Do you know what the entire crop of the Northwest was for 1903—whether there are any official figures showing that?

Mr. JAMME. I can give that, your Honor, partly from memory and what I happen to have here.

The crop of the three States is estimated by the Government—their final estimate—I think I have a memorandum on those sheets I was using.

(Securing papers desired.)

The final estimate of the Government for the year 1903, in the three States, for all grain, was 452,472,060 bushels.

Commissioner HARLAN. What three States?

Mr. JAMME. Minnesota, North and South Dakota.

Commissioner HARLAN. Now, for the year 1904 and the year 1905, what are your advices?

Mr. JAMME. In 1904 it was 468,390,803 bushels for the three States, and in 1905 the official estimate was 536,906,073 bushels.

Commissioner HARLAN. There has been no estimate for this year?

Mr. JAMME. There has been no estimate.

Commissioner HARLAN. Is it your understanding that this year is a record year in crops?

Mr. JAMME. Early conditions indicated that. That was somewhat reduced by unfavorable weather conditions during the harvest season, so that, perhaps, a conservative statement would be to the effect that we have about the same crop in volume as we had last year in the three States.

Commissioner HARLAN. That is all.

Commissioner LANE. That is all.

The witness was excused.

H. B. MOORE, called as a witness, was duly sworn, and testified as follows:

Mr. MARBLE. Mr. Moore, you reside in the city of Duluth?

Mr. MOORE. Yes, sir.

Mr. MARBLE. And you are secretary of the board of trade of that city?

Mr. MOORE. Yes, sir.

Mr. MARBLE. Your duties are to keep track of the grain receipts at that point, among other things?

Mr. MOORE. Yes.

Mr. MARBLE. Have you prepared figures from your records showing receipts this year as compared with previous years?

Mr. MOORE. I have.

Mr. MARBLE. And have them with you?

Mr. MOORE. Yes, sir.

Mr. MARBLE. Now, will you let me see them? Can you give us the

receipts for 1903, 1904, 1905, and 1906 in the manner given by Mr. Jamme?

Mr. MOORE. Our crop year at Duluth varies from the Minneapolis crop year, I think. We start with the 1st of August, and the statement I have here of receipts of grain for the years 1903, 1904, 1905, and 1906, to date, are figures from the 1st of August to date.

Mr. MARBLE. Now, will you read those?

Mr. MOORE. In 1903 the number of cars received was 45,383; in bushels, 44,403,863.

In 1904 there were 43,027 cars, or 43,340,000 bushels.

In 1905 the cars received were 45,655, and in bushels 50,272,000.

In 1906, from August 1 to December 13, there were 48,104 cars received, or 54,120,811 bushels.

Mr. MARBLE. Now, can you give us the receipts last year for each period corresponding—from August 1 to December 13—so as to make a comparison?

Mr. MOORE. We received 50,000,000 bushels, in round numbers, in 1905, and 54,000,000 in 1906 for the same period.

Mr. MARBLE. So that Duluth has received about 4,000,000 bushels more than last year?

Mr. MOORE. Yes, sir.

Mr. MARBLE. Was that excess made up of durum grain? Of what does that excess consist?

Mr. MOORE. I think the durum wheat made quite a large increase, being about 12,000,000, I think, on this crop, against some 7,000,000 on the crop of 1905. That is my recollection.

Mr. MARBLE. Would you say you have received more or less spring wheat this year than you did for the shipping season last year?

Mr. MOORE. I can not say positively, but I should think less.

Mr. MARBLE. Most of the durum wheat is shipped abroad, is it not?

Mr. MOORE. Yes.

Mr. MARBLE. And the wheat consumed at Buffalo and eastern markets coming from Duluth would be the spring wheat?

Mr. MOORE. Yes, sir.

Mr. MARBLE. And you think, then, that of the wheat consumed in this country you have received less?

Mr. MOORE. I think so.

Mr. MARBLE. Are the cars loaded more heavily this year than they have been in past years [handing paper to witness]?

Mr. MOORE. I think the average bushelage per car of wheat in 1905 was 957 bushels. In 1906 it was 1,036 bushels. Corn is a little less; oats a little less; rye is greater; barley is greater, and flax is greater.

Mr. MARBLE. Heavier cars?

Mr. MOORE. Heavier loads.

Mr. MARBLE. Now, you have compiled these figures—what do these figures show? To what do they relate [indicating]?

Mr. MOORE. In 1898 there was the largest crop we ever received at Duluth. The receipts for the calendar year amounted to 100,000,000 bushels, and during the period mentioned, August 1 to December 13 of that year, the number of cars received was 79,220, with 62,000,776 bushels.

Mr. MARBLE. Did you have the same railroads then as now?

Mr. MOORE. Practically.

Mr. MARBLE. You have communications with you, addressed to

you by members of your organization, relating to the movement of cars, have you not?

Mr. MOORE. Yes, sir.

Mr. MARBLE. Let me see those. [The witness hands papers to Mr. Marble.]

Have you had considerable trouble—you and members of your board of trade—in getting the delivery of cars shipped from the country this year?

Mr. MOORE. Yes, sir.

Mr. MARBLE. What has been your trouble?

Mr. MOORE. Well, that is hard to tell.

Mr. MARBLE. The trouble was you could not get the cars, was it not?

Mr. MOORE. The trouble was that a long time—a seemingly unreasonable time—elapsed between the date of shipment and the delivery of cars to the elevators.

Mr. MARBLE. Was there one company only that suffered from that, or the entire market?

Mr. MOORE. The entire market, I think.

Mr. MARBLE. Was the delay in getting the car into Duluth, or in spotting it at the elevator after arrival in the yards at Duluth; or do you know?

Mr. MOORE. I think both; in getting the cars to Duluth, and after they were brought there—the yards were in somewhat of a congested condition.

Mr. MARBLE. You have communicated with the railroad officials of your city regarding that congestion, have you not?

Mr. MOORE. Yes, sir.

Mr. MARBLE. Is this a copy of a letter which you sent, prepared by you? [Hands paper to witness.]

Mr. MOORE (examining paper). Yes, sir.

Mr. MARBLE. This is a letter sent to the agents of the Great Northern, the Northern Pacific, and the Omaha Railway, and is as follows [reading]:

DULUTH BOARD OF TRADE,
SECRETARY'S OFFICE,
Duluth, Minn., November 20, 1906.

Sent to agents Great Northern Railway, Northern Pacific Railway, Omaha Railway.

DEAR SIR: The grain dealers on this board are confronted with this proposition, which to them is an exceedingly important and serious one, viz, they have cars en route to the head of the Lakes and also on track here that have been here twenty days, and many a longer period. These cars they are unable to have transferred to the elevators. Further, that much of this grain is sold on contract for November delivery, and in consequence of inadequate facilities or other reasons on the part of the railroads these dealers are compelled to suffer a great loss.

Is it not possible for your road to take prompt and immediate action to avoid a further loss to our dealers? We think such action on your part imperative and due to the shippers and receivers of grain here. It seems to us that, knowing as you did in advance that there was a large crop to handle, you have been derelict in your duty as common carriers in not making proper provision for delivery of the grain.

Hoping that this will be received in the spirit in which it is sent and that an immediate remedy will be applied, we remain,

Respectfully,

DULUTH BOARD OF TRADE,
By H. B. MOORE, *Secretary.*

I will ask that that be put in the record and marked as Exhibit 1 to Mr. Moore's testimony.

(Received in evidence and marked "Exhibit No. 1 to Mr. Moore's testimony.")

Mr. MARBLE. You received replies, did you not, from railroad officials?

Mr. MOORE. Yes, sir.

Mr. MARBLE. Is that a copy of a reply received from the superintendent of the Northern Pacific Railroad at your city [handing paper to witness]?

Mr. MOORE (examining paper). Yes, sir.

Mr. MARBLE. The copy was made by you, was it not?

Mr. MOORE. Yes, sir.

Mr. MARBLE. I will read the letter. [Reading:]

DULUTH, MINN., *November 21, 1906.*

BOARD OF TRADE,
H. B. Moore, Secretary, Duluth:

This will acknowledge your favor of the 20th instant relative to handling all grain destined to head of Lakes. The Northern Pacific Railway certainly appreciate the serious condition and the importance of moving promptly all grain to the head of the Lakes and placing it to the elevators. I think you are, however, in error in stating that many cars have been lying in the Duluth yard for the past twenty days and that further investigation will develop the fact that these cars have not yet reached Duluth, but are en route. I can assure you personally and officially that we will do everything in our power to see that you are given the best possible service, as it is certainly to our interest as well as yours to move the cars promptly and have them unloaded and returned for another car of grain. The elevators, to the best of my knowledge, have been doing splendid work during the entire fall, being willing to work on Sundays when required and have been taking care of the grain very promptly that has been delivered to them.

Again assuring you personally and on the part of the Northern Pacific of our hearty cooperation to the fullest extent, I am,

Yours, very respectfully,

E. C. BLANCHARD, *Superintendent.*

I will ask that that be put in the record and marked "Exhibit No. 2 to Mr. Moore's testimony."

(The same is received in evidence and marked "Exhibit No. 2 to Mr. Moore's testimony.")

Commissioner LANE. Did you find out whether your statement or the superintendent's was correct as to those cars being on the way twenty days?

Mr. MOORE. I compared with the agent of the Northern Pacific. In comparing the cars received by that road, he informed me that the difference between his figures and mine must be accounted for in the cars in transit.

Commissioner LANE. By what?

Mr. MOORE. That it must be accounted for by the cars in transit.

Commissioner HARLAN. Well, did you make any personal investigation around the yards at Duluth to ascertain yourself, or have anyone do it, to ascertain the number of cars on tracks there for any given time?

Mr. MOORE. Not personally; no, sir.

Commissioner HARLAN. Did you have anyone do it for you?

Mr. MOORE. No, sir.

Commissioner HARLAN. In other words, are you prepared now to

say that at any given time there were a great many cars on the tracks at Duluth that ought to have been switched over to the elevators and were not in the proper time?

Mr. MOORE. I know that it was common talk with the members on the floor of the exchange that there were a great many cars that they could not get disposition of or delivery at the elevators.

Mr. MARBLE. It was the talk that that delay was before the cars reached Duluth or after they came into Duluth, or was it both?

Mr. MOORE. Both.

Mr. MARBLE. Is this a copy of a letter received from the superintendent of the Great Northern Railway [exhibiting letter to witness]?

Mr. MOORE (examining paper). Yes, sir.

Mr. MARBLE. I will read the letter. [Reading:]

SUPERIOR, WIS., *November 22, 1906.*

Mr. H. B. MOORE,
Secretary Duluth Board of Trade, Duluth, Minn.

MY DEAR SIR: Answering yours of the 20th, I regret being obliged to confess that our Superior and Duluth yards are very badly congested by reason of a big increase in business, which consists not so much of the inbound-grain business as it does of the outbound coal and merchandise business, taxing our yard facilities to their utmost.

At this time of the year and, perhaps, especially this year, we have a good deal of trouble to secure sufficient train men to handle our yard work. We have power enough and nearly, if not quite, cars enough, and are making every possible effort to straighten things up by delivering the old eastbound loads and sending out the old westbound loads—that is, we are making a special effort to move delayed cars. I think we are in a little better shape now than we have been for some time and hope to make still further improvement to-morrow and later.

The congestion in our yard is not entirely our fault, but, to some limited extent, the result of congestion in the yards of neighboring railways. I think the Northern Pacific and the Omaha Railway are in about as bad condition as ourselves. I assure you, however, that we are sparing no efforts and no expense to bring about better conditions.

There may be a grain of comfort in the knowledge that we are planning to make extensive improvements in our yard just as soon as the work can be done next spring, which, I hope, will put us in shape to avoid trouble of this kind another year.

In closing I wish to thank yourself and other members of the board for being so patient with us in our troublesome times and plead for further indulgence for a couple of weeks.

Yours, truly,

D. M. PHILBIN,
Assistant General Superintendent.

Mr. MARBLE. I will ask that this be marked "Exhibit No. 3 to Mr. Moore's testimony."

(The same is received in evidence and marked "Exhibit No. 3 to Mr. Moore's testimony.")

Commissioner LANE. What is the date of that letter?

Mr. MARBLE. November 22. [Addressing witness.] Did you receive replies from another railroad company than these two?

Mr. MOORE. I received a verbal reply from the Omaha.

Mr. MARBLE. What was that verbal reply?

Mr. MOORE. That they had made a clean up of nearly all of the cars in their yards. By way of explanation, it would be well to say that they handle but a few cars of grain at Duluth, at the best, and the whole of them would not congest a very large yard.

Mr. MARBLE. Did you address any communication to the Soo Railway?

Mr. MOORE. No; for the reason that the Northern Pacific handled the Soo and Milwaukee business principally.

Mr. MARBLE. Do you know whether or not the elevators at that point have made delays in unloading cars this year?

Mr. MOORE. I think the reverse is true—that they have not.

Mr. MARBLE. The statement made in that letter is correct, then, is it, that they have handled cars promptly?

Mr. MOORE. Yes, sir.

Mr. MARBLE. You have letters, written you as secretary, by grain commission merchants of your city?

Mr. MOORE. Yes, sir.

Mr. MARBLE. And the figures attached are made up by your members?

Mr. MOORE. Yes, sir.

Mr. MARBLE. Relating to the length of time cars were moved?

Mr. MOORE. Yes, sir.

Mr. MARBLE. I have here a letter dated Duluth, Minn., December 15, 1906, to H. B. Moore, secretary, city, and it is as follows:

DEAR SIR: There has been more or less talk and discussion in regard to cars being delayed in transit this last fall and we wish to give you a few of the cases that happened to cars handled by us. In some cases the loss to the shipper was considerable. The delay was not all before inspection, as list No. 2 will show several cars from inspection to unloading more than two weeks. List No. 3 will show a few cars shipped during November that have not been inspected at this date.

Yours, truly, MCKINDLEY & NICHOLLS.

Where are the cars inspected?

Mr. MOORE. At Cass Lake, Sandstone, and Staples.

Mr. MARBLE. How far from Duluth?

Mr. MOORE. Sandstone is probably 50 miles—I do not know the distance. Cass Lake, I do not know the distance; probably 50 or 75 miles.

Mr. MARBLE. And Staples is about how far?

Mr. MOORE. Staples would be a little farther than that.

Mr. MARBLE. A hundred miles?

Mr. MOORE. I think so.

Mr. MARBLE. So that the reference to inspection means that the grain was all that length of time in going 50 or 75 or 100 miles, or thereabouts?

Mr. MOORE. Yes, sir.

Mr. MARBLE. I will read just a few of the detentions of the cars.

The attached sheets show the date inspected, when unloaded, the initial, the number of the car, and the elevator.

Here is one inspected November 7, unloaded November 26. Here is another inspected November 7 and unloaded November 24. Here is another inspected November 7 and unloaded November 27. Here is one inspected the 8th of November and unloaded the 28th of November. Here is one inspected November 12 and unloaded December 4. Here is another inspected November 14 and unloaded December 1. Another inspected November 30 and unloaded December 14. Then again here is one inspected October 15 and unloaded October 30. Here is another inspected on the 19th and unloaded November

28. Here is one inspected the 20th of October and unloaded November 3. Then here is one inspected the 21st of October and unloaded the 14th of November. And so you will find it on down.

Where does this grain come from—entirely from North Dakota?

Mr. MOORE. I think not.

Mr. MARBLE. Then here is the date advised of shipment, the date inspected, the initial, and the car number. Here is one where the date advised of shipment is November 6, which was not yet inspected. Then here is one, advised of shipment November 17, three cars, which were not yet inspected. Then here is one of November 24, which was not yet inspected. I will ask to have this put in the record and marked "Exhibit No. 4 to Mr. Moore's testimony."

(The same is received in evidence and marked "Exhibit No. 4 to Mr. Moore's testimony.")

Mr. MARBLE. Then I have a statement which was furnished you as secretary by the Minnesota Grain Company.

Mr. MOORE. I think it was. [Reading:]

This company has between thirty-five and forty thousand bushels of flax loaded at Ryder, Douglas, and Plaza, in the Soo line. It was loaded in the middle of November and in plenty of time to get it in on November sales, but up to December 12 the cars were still on track at the stations, loaded, and no prospect of getting them moved. Customers' losses over $2,000 on this lot alone.

There are here several elevator companies at various places showing the cars they shipped, etc.

Minot Station, N. Dak., on the Soo and Great Northern lines has received 482,000 bushels of grain up to December 1, and on that date had none left in the stations. All had been shipped out, showing cars were plenty at competitive points. The Robinson Elevator there received 75,000 bushels on the Great Northern and got every bushel loaded out, so he could get it on November sales.

Now, there are some figures relating to the handling of the cars on the Soo road, the Great Northern, and so on. I will read just a few of those.

The cars and numbers are given in each instance.

The Soo shipped from Ransom, N. Dak., a car on September 9, which was unloaded in Duluth October 2.

The Soo also shipped a car from Columbus, N. Dak., on September 12, which arrived in Duluth November 10.

The Soo also shipped a car from Columbus, N. Dak., on September 18, which arrived at Duluth October 25.

The Soo also shipped a car from Kermit, N. Dak., on September 19, which arrived in Duluth October 24.

It also shipped a car from Columbus, N. Dak., on September 18, which arrived in Duluth on October 29.

The Great Northern shipped a car from Granville, N. Dak., September 21, which arrived in Duluth October 28.

There are a great number of other cars with their numbers given there.

I will ask that these sheets be marked "Exhibit No. 5 to Mr. Moore's testimony."

(The same are received in evidence and marked "Exhibit No. 5 to Mr. Moore's testimony.")

Mr. MARBLE. Here is another letter. [Reading]:

DULUTH, MINN., *December 15, 1906.*

H. B. MOORE, Esq.,
Secretary Board of Trade, Duluth, Minn.

DEAR SIR: Attached please find a list of cars shipped to me on various roads, showing the date of shipment, shipping point, car number, date unloaded at elevator, and the number of days these cars were in transit. All the cars included in the list were twenty days or over on the road to Duluth, and the facts I furnish you are true to my best knowledge and belief. I have several other cars at the present time, which have been in transit over twenty days and not yet heard from. I am,

Yours, truly, WILLIAM DALRYMPLE.

Following is a list of cars covering about a page and a quarter, very finely written; probably forty. These show date of shipment, the North Dakota point of origin, the car number, the day unloaded, and the number of days in transit. The number of days in transit run all the way from twenty, twenty-two, twenty-three, thirty-three, thirty-five, thirty-seven, forty, forty-seven, twenty-three, twenty-eight, fifty-four, fifty-nine, forty, twenty-three, thirty-five, and so on down. The smallest seems to be twenty or twenty-one, and the longest fifty-eight or fifty-nine.

Commissioner LANE. What would be the total length of that haul?

Mr. MARBLE. The names of the points are given here. They are all North Dakota points, and I would rather look it up exactly before attempting to answer.

Commissioner LANE. Well, I would like to know the average on that list and the haul per day.

Mr. MARBLE. I will ask that this be marked "Exhibit No. 6 to Mr. Moore's testimony."

(The same is received in evidence and marked "Exhibit No. 6 to Mr. Moore's testimony.")

Mr. MARBLE. This is another letter received by you [handing paper to witness]?

Mr. MOORE. Yes, sir.

Mr. MARBLE. I will read it. [Reading]:

THE GRAIN PRODUCERS ELEVATOR COMPANY,
Duluth, Minn., December 15, 1906.

Mr. H. B. MOORE,
Secretary Duluth Board of Trade, Duluth, Minn.

DEAR SIR: You requested us this a. m. to make you a statement of the cars we have had delinquent in reaching their destination. While we could enumerate at least 20 cars which have been out in this crop twenty days and over after having been ordered to their destination by us, we will only call your special attention to Soo car No. 10948, loaded with barley, which was ordered to elevator "T" at Superior on November 7, 1906, to the Globe Elevator at Superior and we received the unload on the above-named car on the 13th day of December. As you will note, this car was thirty-six days in getting a little over 2 miles. This is the worst case I think we have had, and the only case which we wish to call your attention to.

Very truly, yours,

GRAIN PRODUCERS' ELEVATOR CO.

I will ask that the same be put in the record and marked "Exhibit No. 7 to Mr. Moore's testimony."

(The same is received in evidence and marked "Exhibit No. 7 to Mr. Moore's testimony.")

Mr. MARBLE. I have a number of other letters of the same purport. I want to put them in just as rapidly as I can. All of these letters were received by you as secretary of the Duluth Board of Trade?

Mr. MOORE. Yes.

Mr. MARBLE. Here is a letter from Randall-Gee & Mitchell, of Duluth, Minn., dated December 15, 1906, which is:

H. B. MOORE,
Secretary, Duluth Board of Trade, Duluth, Minn.

DEAR SIR: Complying with your request, we attach herewith a list of cars, giving car initial and number, point of shipment, date of shipment, and date of arrival in Duluth.

In making up this list, we have not included any car that was less than fourteen days in transit. We could give you a very long list if we included all cars that were ten days and over on the road.

Yours, very truly, RANDALL-GEE & MITCHELL.

There are cases shown in which this company was advised of shipments on the ninth month and the fifth day, which arrived the same month and the twenty-seventh day. Then there is delay from the tenth month and first day to the tenth month and seventeenth day, the tenth month and tenth day to the tenth month and twenty-fifth day, from the eleventh month and fifteenth day to the twelfth month and tenth day, and so on. The information is given on the sheet attached to the letter, and I will ask that these papers be put in and marked "Exhibit No. 8 to Mr. Moore's testimony."

(The same is received in evidence and marked "Exhibit No. 8 to Mr. Moore's testimony.")

Mr. MARBLE. Here is a letter from H. Poehler Company, Duluth, Minn., dated December 15, 1906, addressed to H. B. Moore, secretary, which says:

Herewith please find list of cars showing date of shipment and time of arrival and unloading at Duluth.

It gives the date of the bill of lading, the initial of the car, the car number, the station, and the date of unloading. Here is one that was billed the ninth month and thirteenth day, and unloaded October 15.

Here is one of the tenth month and twenty-ninth day, unloaded November 26.

Here is one of the tenth month and twelfth day, Clark, S. Dak., on the Omaha, unloaded November 26.

And the last one is the tenth month and second day, Soo car, Drake, N. Dak., which had not arrived December 14. I will ask that this be put in the record and marked "Exhibit No. 9 to Mr. Moore's testimony."

(The same is received in evidence and marked "Exhibit No. 9 to Mr. Moore's testimony.")

Commissioner HARLAN. Mr. Moore, did you make any complaint to the carriers—to the railroad companies about these delays?

Mr. MOORE. Nothing except what you heard in that letter I wrote them.

Commissioner HARLAN. What I want to get at is this, did you get from the railroad companies any explanation of the delays on particular shipments? I heard what you said about the congestion in the yards. But these particular shipments in here where delays extend

from twenty-one to fifty-eight days—did you get any explanation from the railroad companies, as to the delay in any particular case?

Mr. MOORE. I did not. I think the men handling the cars attended to that part of it.

Mr. MARBLE. Here is a letter from the Atwood-Larson Company, of Duluth, Minn., dated December 15, 1906, to Mr. H. B. Moore, secretary, city.

DEAR SIR: As per your request we attach partial list of cars, which we consider were an unreasonable length of time in transit. With a very few exceptions we have made no mention of cars which were not thirty days or more in transit. To the best of our knowledge and belief, the lists are correct.

Yours, truly,

ATWOOD-LARSON COMPANY,
By H. J. ATWOOD,
President.

The list follows, as in the papers before, and here is a car shipped November 16, Maddock, N. Dak., not yet delivered.

Here is one of November 10, Battle Lake, twenty-five days in transit.

Commissioner LANE. Now, take the last instance. Can you tell me what the normal time is; what time in other years has that same road taken to transport freight from one point, from that particular point to Duluth?

Mr. MOORE. It would only be an opinion that grain delivery from Dakota points within ten days would be within a reasonable time.

Commissioner LANE. Normally in 1905, and in 1904, and the preceding years, it would take about ten days' time, whereas this year it has taken twenty to twenty-five days?

Mr. MOORE. It has taken a great deal more time than in some years?

Mr. MARBLE. Here is one car forty-one days in transit from Wilton, and another forty-four days in transit from Wilton. Then there is one on November 28 from Sheyenne, not delivered yet. November 24, November 28, again, December 5, December 10, December 11; all of them not delivered yet. The second list shows cars on the way from thirty-eight days to sixty days, from North Dakota points; and another list, which is a list of cars shipped during the season of 1906–7, forty-two days down to thirty-two days; and cars that were shipped in November which have not yet been delivered, November 13, etc. I will ask that the same be put in the record and marked Exhibit No. 10, to Mr. Moore's testimony.

(The same is received in evidence and marked "Exhibit No. 10, to Mr. Moore's testimony.")

Mr. MARBLE. Here is a statement from the John Miller Company, grain commission, of Duluth, Minn., dated December 15, 1906, to Mr. Moore, secretary, Duluth, which says:

In reply to your inquiry regarding the time of cars of grain on the road after shipment, we give you the following figures.

He shows 580 cars received previous to November 24; there were 318 received at Duluth ten days or less after shipment, 214 in ten to twenty days after shipment, 37 in twenty to thirty days after shipment, 2 in thirty-three days after shipment, 1 in thirty-five days after shipment, 2 in thirty-six days after shipment, 1 in forty-one

days after shipment, 1 in forty-five days after shipment, 1 in forty-seven days after shipment, 1 in forty-nine days after shipment, 1 in fifty-two days after shipment, 1 in seventy days after shipment.

Of these 376 were unloaded in five days or less after arrival, 153 in six to ten days, 32 in eleven to fifteen days, 14 in sixteen to twenty days, 3 in twenty-two days, 1 in twenty-eight days, and 1 in twenty-nine days.

I will ask that this be put in the record and marked "Exhibit No. 11 to Mr. Moore's testimony."

(The same is received in evidence and marked "Exhibit No. 11 to Mr. Moore's testimony.")

Mr. MARBLE. Then here is a letter of the same tenor from Freemire, Remund & Co., dated December 15, 1906, which I ask to have put in the record and marked "Exhibit No. 12 to Mr. Moore's testimony."

(The same is received in evidence and marked "Exhibit No. 12 to Mr. Moore's testimony.")

Mr. MARBLE. Then here is one from Arbogast & Ball, dated December 15, 1906, inclosing a list of cars which they consider have been delayed an unreasonable length of time.

I ask that this be put in evidence and marked as an exhibit to Mr. Moore's testimony.

(The same is received in evidence and marked "Exhibit No. 13 to Mr. Moore's testimony.")

Commissioner HARLAN. What is the scope of that lot of cars you have given—the number of days after arrival? Does that mean that the elevator delayed in unloading the cars, or was the delay in switching the cars?

Mr. MARBLE. The time is after inspection. It might be a delay in moving into Duluth or in the yard in Duluth or at the elevator in unloading. We will have testimony later of railroad men, and we will have other witnesses, I presume, as to whether this delay was in the yard of the company or between the point of shipment and Duluth, which I think will bring it out fully.

Mr. MOORE. I think it is both places.

Mr. MARBLE. And have you another list of figures you have prepared?

Mr. MOORE. I have not.

Mr. MARBLE. Have you made any investigation so that you know the reason of these delays?

Mr. MOORE. No, sir.

Mr. MARBLE. That is all.

Commissioner HARLAN. Mr. Moore, have you stated what the total elevator capacity of Duluth is?

Mr. MOORE. Thirty-four millions.

Commissioner HARLAN. Do you know on any given date in this month what the actual number of bushels in the elevators was, say, December 13; do you happen to know?

Mr. MOORE. I know that night before last there were 1,000,000 bushels of wheat and 1,000,000 bushels of flax in the elevators. Those were the two largest.

Commissioner HARLAN. That was the total number of bushels of all sorts of grain?

Mr. MOORE. No; wheat and flax.

Commissioner HARLAN. Can you give any general idea of the total number of bushels, including all grain in the elevators, night before last?

Mr. MOORE. No; I could not.

Commissioner LANE. Would it be under 6,000,000?

Mr. MOORE. Yes, sir.

Commissioner LANE. They have approximately 30,000,000 capacity not in use?

Mr. MOORE. Not quite as much as that. The total capacity in all the elevators at the head of the Lakes is 34,000,000.

Commissioner LANE. Well, there would be 28,000,000 difference.

Commissioner HARLAN. Now, do you know what the present conditions of the country elevators are?

Mr. MOORE. I do not.

Commissioner HARLAN. Have you any understanding about it—do you understand whether they are full or empty?

Mr. MOORE. I understand that in some places they are full and that grain is piled up outside.

Commissioner HARLAN. Grain that would naturally come to your market if there were cars to move it?

Mr. MOORE. A good deal of it.

Commissioner HARLAN. Do you have any idea what the number of bushels is in that territory, the grain in the country now, waiting to be moved to your market?

Mr. MOORE. There have been various estimates of the crop. The early estimates have been reduced somewhat. It would be a hard matter at this time to estimate the amount in the shippers hands.

Commissioner HARLAN. What seems to you to be a conservative estimate, from all the information you have, as to the amount of grain in country elevators and piled up outside waiting to be moved to Duluth?

Mr. MOORE. I hardly dare to make an estimate.

Commissioner HARLAN. Can you tell us some of the estimates you have heard, from reputable sources?

Mr. MOORE. I have heard this, that there was probably upward of 30 per cent of their grain yet in the farmers' hands, or in the elevators in the country.

Commissioner HARLAN. Well, you mean grain that is ready to move when cars are supplied?

Mr. MOORE. Yes, sir.

Commissioner HARLAN. Does that seem to you to be a conservative estimate from all the information you have?

Mr. MOORE. Fairly so.

Commissioner HARLAN. Is it your understanding that the amount of grain held in the country at this time is in excess of the normal amount in other years at this same period?

Mr. MOORE. That is my impression; yes, sir.

Commissioner HARLAN. Well, Mr. Moore, I would like to know whether there is a general complaint at the country elevators tributary to your market of the failure of railroads to supply cars to move grain from them?

Mr. MOORE. I think there is quite a general complaint of that character.

Commissioner HARLAN. Now, is there any general excuse that is given by the railroads—any general explanation for their failure to supply cars? Do they say they have not cars or locomotives, or what do they say?

Mr. MOORE. I think that question is answered quite fully in the letters addressed to me by the agents of the Northern Pacific.

Commissioner HARLAN. In a particular case?

Mr. MOORE. Not in particular cases, I do not think.

Mr. C. W. BUNN. I represent the Northern Pacific and I would like to ask a few questions, if you please.

Commissioner LANE. All right.

Mr. BUNN. Mr. Moore, you have shown that the elevators at Duluth are about empty now?

Mr. MOORE. Yes, sir.

Mr. BUNN. And when did navigation close?

Mr. MOORE. I think the boats were loaded up to about the 11th or 12th.

Mr. BUNN. The 11th or 12th of December?

Mr. MOORE. Yes, sir.

Mr. BUNN. What was the condition of your elevators during the month of November?

Mr. MOORE. They were receiving and shipping all the time.

Mr. BUNN. How did the amount of grain compare then with what it is since navigation closed?

Mr. MOORE. I do not know. I could not give that to you.

Mr. BUNN. You said there were about 6,000,000 bushels there now? Is that a fair showing of what there was during November?

Mr. MOORE. There was a large shipment of grain during November.

Mr. BUNN. Was not there very much more grain in your elevators for the month of November than since the boats have stopped running?

Mr. MOORE. Possibly.

Mr. MARBLE. Mr. Moore, there has been a spread in the price of grain between Minneapolis and Duluth all this season, has there not?

Mr. MOORE. I could not tell you.

Mr. MARBLE. And has not grain been worth more in Duluth than Minneapolis?

Mr. MOORE. I could not tell you.

Commissioner HARLAN. The Duluth grain moves out over the Lakes usually, does it not?

Mr. MOORE. Most of it.

Commissioner HARLAN. Is there any shipment by rail to Chicago?

Mr. MOORE. That is a comparatively small amount.

Commissioner HARLAN. That is all.

Commissioner LANE. That is all, Mr. Moore.

The witness was excused.

Commissioner LANE. Call your next witness.

GEORGE SPENCER, called as a witness, was duly sworn, and testified as follows:

Mr. MARBLE. You are president of the Duluth Board of Trade, are you, Mr. Spencer?

Mr. SPENCER. Yes, sir.

Mr. MARBLE. And also in the grain business?

Mr. SPENCER. Yes, sir.
Mr. MARBLE. You have terminal elevators at Duluth and Superior?
Mr. SPENCER. I am interested in some.
Mr. MARBLE. Interested in the business?
Mr. SPENCER. Yes, sir.
Mr. MARBLE. And have you country elevators?
Mr. SPENCER. No, sir.
Mr. MARBLE. Line elevators?
Mr. SPENCER. Nothing we operate.
Mr. MARBLE. You receive shipments from the country?
Mr. SPENCER. To some extent. We are large receivers—grain shipping merchants.
Mr. MARBLE. And you buy on the floor?
Mr. SPENCER. Yes, sir.
Mr. MARBLE. Can you tell whether or not the elevators at Duluth and Superior have made delays in unloading cars this season?
Mr. SPENCER. I do not think they have ever.
Mr. MARBLE. You have heard no complaint?
Mr. SPENCER. No.
Mr. MARBLE. Have your elevators made any delay?
Mr. SPENCER. They have not.
Mr. MARBLE. They have not?
Mr. SPENCER. No, sir.
Mr. MARBLE. The figures as to the amount stored given by Mr. Moore; are they correct as far as you know?
Mr. SPENCER. I do not know what the amounts were. I do not think at any time during the fall there was more than ten or twelve millions of bushels of grain in store in the elevators and the amount is a good deal less now, because the shipping season is over.
Mr. MARBLE. Is there less in the elevators now than the normal amount at this time of the year?
Mr. SPENCER. I do not think there is.
Mr. MARBLE. About the same?
Mr. SPENCER. About the same, I think.
Mr. MARBLE. The Duluth elevators are cleared out as far as possible before navigation closes, and then they fill up afterwards, as grain comes in for shipment out in the spring?
Mr. SPENCER. Yes, sir.
Mr. MARBLE. Grain that comes into Duluth after the close of navigation remains over until the navigation season opens?
Mr. SPENCER. Most of it.
Mr. MARBLE. Some goes out on the Omaha road?
Mr. SPENCER. A very little.
Mr. MARBLE. And a little on the Soo?
Mr. SPENCER. A very little.
Mr. MARBLE. That is very small by your company?
Mr. SPENCER. Yes, sir.
Mr. MARBLE. Duluth is a storage point after navigation closes?
Mr. SPENCER. Yes, sir.
Mr. MARBLE. Has grain been worth more this season in Duluth than in Minneapolis?
Mr. SPENCER. I think it has, a little. Wheat has sometimes been worth half a cent to a cent more, but as a general thing the Minneapolis rates have been fully equal to ours.

Mr. MARBLE. Do the cars shipped to you come through in good time?

Mr. SPENCER. We have a good deal of delay.

Mr. MARBLE. Do you know at what points these delays were made? Whether before coming into the Duluth yards or after arrival?

Mr. SPENCER. I think there has been more or less delay in starting from the originating stations and delays along the roads.

Mr. MARBLE. And what you say applies to delays in the terminals as well?

Mr. SPENCER. There has been considerable delay in the terminals.

Mr. MARBLE. And what you say applies to shipments received over every road?

Mr. SPENCER. The principal delay—the principal grain we get is over the Great Northern and the Northern Pacific and the Soo, although the Soo road grain is handled either by the Great Northern or the Northern Pacific and is brought in over one or the other of those roads, and there is where the principal complaint is made as against those three roads—because they have handled more.

Mr. MARBLE. And this complaint has been as to the slowness of movement, has it?

Mr. SPENCER. Yes, sir.

Mr. MARBLE. As well as inability to get cars to put the grain into?

Mr. SPENCER. Yes, sir.

Mr. MARBLE. Is there anything you wish to offer?

Mr. SPENCER. No, sir.

Mr. MARBLE. That is all.

Commissioner LANE. Mr. Bunn, do you wish to ask any questions?

Mr. BUNN. No, sir.

Commissioner LANE. That is all, Mr. Spencer.

(The witness was excused.)

Commissioner LANE. I wish to say at this time that if there are any attorneys for the railroad here who desire to interrogate any of these witnesses they are quite at liberty to do so.

Now, Mr. Marble, call your next witness, please.

O. G. MAJOR, called as a witness, was duly sworn, and testified as follows:

Mr. MARBLE. You reside at Hope, N. Dak.?

Mr. MAJOR. Yes, sir.

Mr. MARBLE. And you are president of the Minnesota Farmers' Exchange?

Mr. MAJOR. Yes, sir.

Mr. MARBLE. And that exchange is an organization of elevators—farmers' elevators—is it not?

Mr. MAJOR. Yes.

Mr. MARBLE. And where have you elevators?

Mr. MAJOR. We have some five in Minnesota. We have one at Pettit, down here, Elko, Long Prairie, Brownsville, and Ashby. That is all that we conduct. Then we have stock in a good many elevators in North Dakota. I think there are about 27 in North Dakota.

Mr. MARBLE. Twenty-seven points in North Dakota?

Mr. MAJOR. Yes, sir. Local elevators.

Mr. MARBLE. On what roads?

Mr. MAJOR. Most of them are on the Great Northern. Some are on the Soo, and some are on the Northern Pacific.

Mr. MARBLE. Are you familiar with the conditions at those country elevators?

Mr. MAJOR. Pretty fairly; yes, sir.

Mr. MARBLE. Are you familiar with the conditions at other points in North Dakota?

Mr. MAJOR. Yes, sir.

Mr. MARBLE. Have you been traveling recently?

Mr. MAJOR. I have traveled some in the last two or three weeks.

Mr. MARBLE. Over what portions of the State of North Dakota?

Mr. MAJOR. I have been up on the Soo—as far as possible on the Soo—and on the Anita branch, and to the end of the line. Nobody travels very much there now.

Mr. MARBLE. Are you familiar with the situation so far as the coal supply is concerned?

Mr. MAJOR. I am, to some extent, at certain points.

Mr. MARBLE. At what points?

Mr. MAJOR. Well, for instance, at Hope and Anita and other points where they write to me about it. We have no coal or wood in Hope at all at present. I got a notice this morning by telephone to try and get them coal at Duluth. There is none there unless they have got it there since.

Commissioner HARLAN. How far is that from here?

Mr. MAJOR. About 300 miles.

Commissioner HARLAN. How much of a community is it?

Mr. MAJOR. A thousand people.

Commissioner LANE. What are they doing for fuel?

Mr. MAJOR. Us fellows that had it laid in divided up with the fellows that haven't got it. We have been doing that, and when we get it all divided up I suppose we will have to quit.

Mr. MARBLE. How about the country around that point—the farmers? Have they fuel?

Mr. MAJOR. No. We had a carload in the hotel, and my boys have been distributing it out to farmers, and that is very nearly gone, and I got a telephone this morning to go to Duluth to see if I could get some coal in some way or other.

Mr. MARBLE. Do the farmers burn coal?

Mr. MAJOR. Coal and wood.

Commissioner LANE. What have you done with the railroad company to ask them to get in the coal?

Mr. MAJOR. They don't bring any. We have our coal dealer there, who is a man that is in the coal business, and I guess he is about as good as any of them there, and he tells us that he has 30 or 40 cars ordered and has had them ordered for the last two or three months.

Commissioner LANE. Ordered from where?

Mr. MAJOR. From Duluth.

Commissioner LANE. That is your only source of supply, is it?

Mr. MAJOR. Yes, sir.

Commissioner LANE. What reason do they give for not delivering?

Mr. MAJOR. They don't give any. We don't know why they don't put it in. They simply claim they can't get it. They are bringing up empty cars, however, right along by us there.

Commissioner LANE. Do you know where those empty cars are destined?

Mr. MAJOR. What?

Commissioner LANE. Do you know where the empty cars are destined?

Mr. MAJOR. They drop some at the other stations. They drop some of them there at those other stations, and while they may not be very many, they are enough to supply us with coal if they bring them full. I understand there is no shortage of coal in Duluth.

Commissioner LANE. Is there anybody besides this one coal dealer in your town? Has anybody else made an application for coal in Duluth?

Mr. MAJOR. Of course, they are not in the coal business and there would be no use. I ordered a couple of carloads of coal, and we could not buy it, and they told me that they would not sell me a carload of coal.

Commissioner LANE. Now, just what do you mean?

Mr. MAJOR. I ordered two or three carloads of coal and the man in Duluth would not sell me.

Commissioner LANE. What answer did he give you?

Mr. MAJOR. He wrote me and wanted to know if I was a dealer. And of course I wrote him back and told him that I was not, and then he said that he could not ship me because he had to ship to his dealers and protect his regular coal dealers.

Commissioner LANE. You have only one retail dealer there?

Mr. MAJOR. That is all.

Commissioner LANE. And he has made demand for 30 or 40 cars, and had his order in two or three months ago?

Mr. MAJOR. Yes, sir; he has had the coal ordered for about two months, and he can't get it in, and we can't get wood in there.

Commissioner HARLAN. Do you get wood from Duluth?

Mr. MAJOR. The wood comes from here in Minnesota; from these stations along here and down the line.

Commissioner LANE. Is this a competitive point of yours, or is there only one railroad in there?

Mr. MAJOR. One railroad is all.

Commissioner LANE. Is there any place near there that is competitive?

Mr. MAJOR. Nothing within 40 miles.

Commissioner LANE. It is on the Great Northern, is it?

Mr. MAJOR. The Great Northern.

Mr. MARBLE. You have described the fuel condition at Hope. What is the condition at other points which you are acquainted with?

Mr. MAJOR. I understood from some fellows that came down on the train with me Wednesday that on the branch they were short of coal and short of fuel.

Mr. MARBLE. Do you understand that there is any suffering?

Mr. MAJOR. Oh, no; I do not know as there is yet. Some of us folks were short of kerosene. They didn't have a bit of kerosene over there when I left there, but I got word that a tank had come in since I left. There was not a barrel of kerosene in town last week. We have kerosene there now, but if we have fuel we can sit in the dark and we don't mind that.

Mr. MARBLE. Do you know why the dealers don't order coal in the summer months so as to have a supply on hand?

Mr. MAJOR. I want to say for our man there that he ordered this coal early and he usually does. Now, I am satisfied that this man that deals in coal there has had his order in there, but he has told us all the time that he could not get it.

Mr. MARBLE. Are you familiar with the conditions at competitive points?

Mr. MAJOR. No, sir.

Mr. MARBLE. Do you know whether there is any difference in the service given at a competitive point and a noncompetitive point?

Mr. MAJOR. Nothing but what a man told me about it.

Mr. MARBLE. What was that?

Mr. MAJOR. They claim that at these competitive points they have not had much trouble.

Mr. MARBLE. Are there any elevators in which you are interested located at competitive points?

Mr. MAJOR. Yes, sir.

Mr. MARBLE. Can you give any comparison of the service given you at competitive points as compared with that at noncompetitive points?

Mr. MAJOR. At the competitive points we don't experience much difficulty in getting rid of the wheat.

Mr. MARBLE. At your elevators?

Mr. MAJOR. That is where there is two roads, you know; I have had no complaint there.

Mr. MARBLE. And are your elevators blocked at all at noncompetitive points?

Mr. MAJOR. They are blocked all winter.

Mr. MARBLE. You ship also machinery and live stock, do you not?

Mr. MAJOR. Yes, sir.

Mr. MARBLE. Do the cars move promptly for you—the cars you are interested in—after being loaded?

Mr. MAJOR. In the live-stock business?

Mr. MARBLE. Take live stock first.

Mr. MAJOR. I could ship a carload of wheat from my elevator—my place—get it to Duluth and get the returns back in a little over thirty days—it would take about that time to make the returns.

Mr. MARBLE. That is wheat. How about live stock?

Mr. MAJOR. I have had lots of trouble with live stock.

Mr. MARBLE. What is the trouble—is it in getting into the market?

Mr. MAJOR. Well, we have had carloads of stock from my town being held up forty-eight to sixty-two hours in getting into St. Paul.

Mr. MARBLE. What is the distance?

Mr. MAJOR. Three hundred miles.

Mr. MARBLE. How quickly has any train come for you?

Mr. MAJOR. I do not think I could get in here under twenty-four hours.

Mr. MARBLE. You have made it in twenty-four?

Mr. MAJOR. I think one or two times.

Mr. MARBLE. You consider that fair time?

Mr. MAJOR. That would be fair time.

Mr. MARBLE. And what has been your experience with your shipments—how about your machinery?

Mr. MAJOR. Well, we have had less delay on machinery. We have not had much trouble on that, I think.

Mr. MARBLE. Your shipments of stock, do they make up trains—stock trains exclusively, and put it through as through freight?

Mr. MAJOR. Not as a rule.

Mr. MARBLE. Not as a rule?

Mr. MAJOR. They have a regular stock train that runs certain days of the week from Minot. We are cut out at Casselton, which is on our branch, and then our fellows run into Casselton and have to stay over all night.

Mr. MARBLE. Why do they have to wait over all night?

Mr. MAJOR. Because there is no extra train to connect with and we have to wait there until some train comes along and picks us up. Ten of us fellows laid over there all one night in Casselton, when we were right in a blizzard, with stock, and we were expecting to catch an extra train. But we did not.

Mr. MARBLE. How many cars did you have?

Mr. MAJOR. We had ten.

Mr. MARBLE. Then why did they not put an engine on the ten cars and haul it out?

Mr. MAJOR. Mr. Hill don't do that kind of business. He is hauling tonnage. We did ask to have them put an engine on and haul it, and they said that they were going to send one up there and we waited all night but they didn't do it.

Mr. MARBLE. I understand that you say that you were to have an engine and that you did not get it?

Mr. MAJOR. Yes, sir.

Mr. MARBLE. What is the limit of time that cattle may be kept in the cars, according to the law?

Mr. MAJOR. I understand the Minnesota law is twenty-four hours. I can not tell you what the Dakota law is on that.

Mr. MARBLE. How long a time have cattle been kept in cars in the last year?

Mr. MAJOR. I have shipped some, but I could not actually tell you how long a time they were kept in.

Mr. MARBLE. This inability to furnish transportation—does it affect all country grain dealers alike, or was it more injurious to one class than another?

Mr. MAJOR. I do not know; the farmers' elevator men have been—we have been having the most trouble.

Mr. MARBLE. How is that?

Mr. MAJOR. As a rule—we have got the largest elevator on the line; and, of course, at these points, where there are big elevators, we get most of the grain. Our elevator companies feel as great a demand for cars as anybody; then we got our proportion of cars cut to one apiece a day. I will tell of my town. Personally, I have got an interest in an elevator there. Our elevator is about as big as anybody else's in town, and we got cut to one car; consequently our competitors filled up, and they do just as large a business as they can do; if we could get cars to get this stuff out, we could do two to three times as much business as any other elevator in that town. We can not do any more business, because we can not get our share of the cars in proportion to the amount of business we do.

Mr. MARBLE. What is the effect upon the price paid to the farmers?

Mr. MAJOR. It has made about 2 cents a bushel difference.

Mr. MARBLE. Have you put any grain on the ground?

Mr. MAJOR. Yes, sir.

Mr. MARBLE. How much?

Mr. MAJOR. About 3,000 bushels on when the snow fell.

Mr. MARBLE. At what point?

Mr. MAJOR. Hope.

Mr. MARBLE. Will grain stored on the ground be injured by the elements?

Mr. MAJOR. Well, no; not overly much. It is owing to the nature of the weather. You can put corn in a round pile right easy if it does not snow too much. In such a pile a few inches on the bottom will be lost, and excessive rain, of course, damages it. It is not a good place to put it.

Mr. MARBLE. Have you had trouble in getting through the Minnesota Transfer with shipments of stock?

Mr. MAJOR. Delays in shipping?

Mr. MARBLE. Yes, sir.

Mr. MAJOR. I have with horses.

Mr. MARBLE. How much was that delay?

Mr. MAJOR. Well, they hold you up—when I would come in here from the West we go into transfer and we have to hold up about 6 or 7 o'clock in the evening; they then bunt you around here until 1 o'clock, and it takes two or three men to keep them up. I have rode in the yard all night trying to keep my horses up. They butt——

Mr. MARBLE. You mean they fall in the cars?

Mr. MAJOR. Fall down in the cars.

Mr. MARBLE. And it is your idea that they ought to get started in less time?

Mr. MAJOR. They ought to set us some place on a side track and let us remain there until we are ready to go, instead of riding us around all night on a switch engine. I know it is not necessary. I have railroaded about forty years myself.

Mr. MARBLE. And these cars loaded at country points, have they moved promptly after being loaded?

Mr. MAJOR. Fairly well. They have started away anyhow.

Mr. MARBLE. They have been too long on the way?

Mr. MAJOR. Too long on the road.

Mr. MARBLE. Do you know why there is that delay?

Mr. MAJOR. No, sir; I could not tell you about that.

Mr. MARBLE. That is all.

(Witness was here excused.)

W. G. HOLLAND, called as a witness, was duly sworn, and testified as follows:

Mr. MARBLE. Mr. Holland, you reside at Jamestown, N. Dak.?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. What is your occupation?

Mr. HOLLAND. Chief dispatcher.

Mr. MARBLE. For what road?

Mr. HOLLAND. The Northern Pacific.

Mr. MARBLE. And what are your duties as chief dispatcher?

Mr. HOLLAND. Well, it is a complication of duties; it is generally to handle trains over the division.

Mr. MARBLE. You order the trains made up, where you put out special trains?

Mr. HOLLAND. Yes—you mean certain cars in certain trains?

Mr. MARBLE. Yes.

Mr. HOLLAND. Not without it is special.

Mr. MARBLE. If it is special you do?

Mr. HOLLAND. If it is a special shipment, why, we put special cars in the train; but it is hardly ever that way. You mean for freight trains?

Mr. MARBLE. Freight trains. I am talking about freight trains altogether.

Mr. HOLLAND. Oh, yes; why, not without it is freight preference stuff—stock.

Mr. MARBLE. Well, take it in the yards of Jamestown. If loaded cars accumulate, when there are enough to send out a freight, who decides when that freight shall be made up and what cars shall be put in it?

Mr. HOLLAND. Why, I do.

Mr. MARBLE. You do; and you give your orders to the yard master?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. That you want a train at such an hour?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. You have a list of cars standing in the yard, and from that list you tell him what cars to put into the train?

Mr. HOLLAND. Tell him how much of a train to put on, according to the size of the engine.

Mr. MARBLE. And do you decide what cars will be put on?

Mr. HOLLAND. No, sir.

Mr. MARBLE. The yard master decides that?

Mr. HOLLAND. Yes.

Mr. MARBLE. You give the tonnage and the time the train is to go?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. Do you also have charge of the distribution of empty cars?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. And you also have charge of directing the movements of the trains on the track in transit?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. And their passing each other?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. And the giving of orders to the train, of course, follows necessarily as a part of the charge of the movement?

Mr. HOLLAND. That is a part.

Mr. MARBLE. In giving orders to the yard master as to the amount of tonnage to put in a train, what is your practice in that matter, as to the load put upon the engine—what per cent of its capacity?

Mr. HOLLAND. Why, it depends upon the physical conditions, weather, and so on. There is no hard and fast rule to follow in that regard. The aim is not to give an engine more tonnage than it will go right along with.

Mr. MARBLE. Do you mean that answer exactly?

Mr. HOLLAND. I do.

Mr. MARBLE. You aim to give it all the tonnage it can carry.

Mr. HOLLAND. You misunderstood me.

Mr. MARBLE. I am asking you another question. I understood you. Is it the aim to give the engines all they can carry?

Mr. HOLLAND. And make fair time?

Mr. MARBLE. And what do you call fair time?

Mr. HOLLAND. Why——

Mr. MARBLE. Take the run from Jamestown to Staples; that distance is 109 miles, is it not?

Mr. HOLLAND. Well, Staples is not on my—in my territory. Take Jamestown to Fargo.

Mr. MARBLE. What is that distance?

Mr. HOLLAND. Ninety-three miles.

Mr. MARBLE. Now, for a trainload of dead freight, or grain—loaded as you say you load engines, so they can get along—what do you consider a fair running time from Jamestown to Fargo?

Mr. HOLLAND. Why, if they have not many trains to meet they can make in about eight or nine hours, usually.

Mr. MARBLE. Do they usually have many trains to meet?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. What do they make it in?

Mr. HOLLAND. All the way from six to twelve, thirteen or fourteen hours.

Mr. MARBLE. What would you say—I do not want you to include the oriental freight or the passenger trains, but I want these shipments of heavy tonnage; dead freight—what would you say the average time has been those trains have made during the last three months over that route?

Mr. HOLLAND. I should judge about twelve or thirteen hours.

Mr. MARBLE. Have you had many trains out longer than that time?

Mr. HOLLAND. Yes.

Mr. MARBLE. How much longer?

Mr. HOLLAND. Why, they have been out fifteen and sixteen hours, I guess, probably in some cases seventeen hours.

Mr. MARBLE. You think seventeen hours is the limit they have been out in the last three months over that route?

Mr. HOLLAND. Probably, except in cases where they have been out longer than that.

Mr. MARBLE. How many exceptional cases do you think there have been?

Mr. HOLLAND. Well, not having the data at hand, I could not——

Mr. MARBLE. You brought some train sheets down with you, did you not?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. Where are they?

Mr. HOLLAND. In the room here.

Mr. MARBLE. And Mr. Winter and Mr. Hawley can get those during the noon hour and examine them?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. And they can go over them with you, if you will help them or if you will leave the sheets with them. Those train sheets will show every train for what period of time?

Mr. HOLLAND. October and November.

Mr. MARBLE. From where; between Jamestown and Fargo?

Mr. HOLLAND. And also for the entire division.

Mr. MARBLE. And that would be what?

Mr. HOLLAND. Between Fargo and Mandan.

Mr. MARBLE. And they show the running time of each train—time of leaving the point and time of arrival—do they not?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. They do not show the point where delays occurred, or causes of the delay, do they?

Mr. HOLLAND. Not in every case; no, sir.

Mr. MARBLE. I prefer to finish with Mr. Holland after the examination of these train sheets and to call somebody else now.

Mr. BUNN. You said that if it were not for passing so many trains that the trains would run between Fargo and Jamestown in eight or nine hours, if I understand you correctly?

Mr. HOLLAND. Yes, sir.

Mr. BUNN. You also said that there were a great many trains to pass?

Mr. HOLLAND. And meet; yes.

Mr. BUNN. What has been the condition of the railroads in this section during this fall as to the number of passing trains?

Mr. HOLLAND. The number of trains?

Mr. BUNN. Yes.

Mr. HOLLAND. Why, we have been handling about as many trains as we could conveniently.

Mr. BUNN. That is what I want to get at. Have you done any more than you have been doing ordinarily?

Mr. HOLLAND. About the usual business.

Mr. BUNN. Has the railroad on your division been taxed to its capacity, or about that?

Mr. HOLLAND. Probably; between certain points it is.

Mr. BUNN. Take it during the month of October—between Jamestown and Fargo?

Mr. HOLLAND. Yes; I think it is; particularly between Sanborn and Oriska.

Mr. MARBLE. Suppose, Mr. Holland, if you made up smaller trains—trains averaging less than the size of those you are running, what would be your condition then?

Mr. HOLLAND. Why, we could not handle the trains, because it would make that many more meeting points. It would be a congestion of traffic that we could not overcome. It would be too many trains on the road to handle.

Mr. MARBLE. That is all. Just a moment. Suppose instead of making the train half the size, you should take off a hundred tons from each train; could you not expect to make the round trip in less time than these trains now require to make a round trip?

Mr. HOLLAND. No.

Mr. MARBLE. Would it be made any faster or not?

Mr. HOLLAND. Practically no faster.

Mr. MARBLE. Then you consider that you are not loading engines to the point that you lessen their speed?

Mr. HOLLAND. No, sir.

Mr. MARBLE. Are all of your sidings long enough for your trains at passing points?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. All of them?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. You do not have to saw any trains past one another?

Mr. HOLLAND. Not unless we get two trains on a siding.

Mr. MARBLE. Does that happen frequently?

Mr. HOLLAND. Yes.

Mr. MARBLE. How frequently?

Mr. HOLLAND. Well, as a rule, we try to avoid that sort of a condition—that is, we try to hold the trains back, so that they won't congregate at one point.

Mr. MARBLE. Do you succeed in doing so in a great many instances?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. It occurs frequently?

Mr. HOLLAND. It is bound to occur.

Mr. MARBLE. Every day somewhere?

Mr. HOLLAND. No; perhaps not every day, but frequently.

Mr. MARBLE. How about the Cooperstown branch—is that under your control?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. What is the condition there as to the number of trains, and trains passing each other?

Mr. HOLLAND. Why, I do not think there has been any trouble of that sort.

Mr. MARBLE. No congestion there?

Mr. HOLLAND. No, sir.

Mr. MARBLE. No more than anywhere else, at any rate?

Mr. HOLLAND. No.

Mr. MARBLE. How many trains have you had in the last two weeks on that Cooperstown branch?

Mr. HOLLAND. We run a passenger each way a day, and a freight each way a day.

Mr. MARBLE. Then you would say you have had twenty-eight freights in the last two weeks?

Mr. HOLLAND. During good weather.

Mr. MARBLE. Has it been good weather during the last two weeks?

Mr. HOLLAND. No, sir.

Mr. MARBLE. How many days bad weather? Is that line blocked with snow? What is the trouble?

Mr. HOLLAND. It was blocked north of Cooperstown.

Mr. MARBLE. For how long?

Mr. HOLLAND. Since Friday of this week.

Mr. MARBLE. A week ago Friday?

Mr. HOLLAND. This last Friday; it was opened up yesterday.

Mr. MARBLE. Well, did the passenger trains make regular runs Friday and Saturday?

Mr. HOLLAND. As far as Cooperstown and return.

Mr. MARBLE. The passenger trains were blocked as well as the others?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. Have you had complaints of the slowness of movement from up in your country—have they come to you at all?

Mr. HOLLAND. No; only in a general way. No specific charges, no specific cases.

Mr. MARBLE. No specific cases were brought to your attention?

Mr. HOLLAND. By the citizens, you mean?

Mr. MARBLE. Well, by anybody—the shippers complaining about cars being delayed?

Mr. HOLLAND. No; I can not say that there has been any.

Mr. MARBLE. None at all?

Mr. HOLLAND. I do not remember any now.

Mr. MARBLE. Do you consider that the freight on your division has moved expeditiously, the way you have testified—that there has been no trouble there?

Mr. HOLLAND. Well, there has been more or less congestion, perhaps, but there has been no specific complaint made.

Mr. MARBLE. How about your power—have you got plenty of power?

Mr. HOLLAND. Well, we have got to use the power mostly for stock, this fall, to keep the stock moving.

Mr. MARBLE. Then, grain has not moved very much on that account, is that so?

Mr. HOLLAND. We moved stock in preference to grain.

Mr. MARBLE. Have you moved stock in preference to coal?

Mr. HOLLAND. Coal as a rule moves west and stock moves east.

Mr. MARBLE. Have the stock shipments taken your engines away from Duluth at all, or anything of that sort, so that you could not move coal west?

Mr. HOLLAND. No; that moves in the opposite direction from that.

Commissioner LANE. How much more stock have you moved this year than you moved last?

Mr. HOLLAND. I think it is about the same; I think that the number of trains run this year were about the same as last year.

Commissioner LANE. Moved in the season, Mr. Holland?

Mr. HOLLAND. Yes; moved later in the season.

Commissioner LANE. What has been the volume of the stock movement this year?

Mr. HOLLAND. Why, I think that probably October was the heaviest month.

Commissioner HARLAN. Ordinarily, what time is it?

Mr. HOLLAND. We have moved a good deal of stock this year in November.

Commissioner HARLAN. Go ahead, Mr. Holland.

Mr. HOLLAND. Last year a great deal of the stock moved in August.

Commissioner LANE. And very little moved in November?

Mr. HOLLAND. Not so much in November as—that is, the fore part of November.

Mr. BUNN. The fact is that the movement of stock is exceptionally light this year—everybody knows that.

Mr. MARBLE. Is it true that grain started moving exceptionally early this year?

Mr. HOLLAND. No; I can not say that it moved any earlier than ordinarily.

Mr. MARBLE. So far as it moved at all, do you not know that this crop was about three weeks earlier than the crop of last year?

Mr. HOLLAND. I know that we had a better supply of empties during the fore part of this year than we had last year.

Mr. MARBLE. Do you know whether or not grain was offered for shipment earlier this year than last year?

Mr. HOLLAND. I guess probably there was some grain offered a little earlier.

Mr. MARBLE. How much earlier?

Mr. HOLLAND. I did not look it up to see.

Commissioner LANE. Do you know what the reason was that stock moved so late this year?

Mr. HOLLAND. I could not tell you.

Commissioner LANE. Do you know whether the cars were otherwise engaged?

Mr. HOLLAND. I could not tell as to that, the stock comes from beyond the division that I am on.

Commissioner HARLAN. Does it not originate on your division at all?

Mr. HOLLAND. The greater part of it originates west.

Commissioner HARLAN. Have you been able to move all the stock that was offered to your division?

Mr. HOLLAND. Practically speaking.

Commissioner HARLAN. There were no complaints by stockmen to you?

Mr. HOLLAND. We might have been delayed in getting cars some, but I got them in a short time.

Commissioner HARLAN. Well, was the stock offered you as early this year as last year?

Mr. HOLLAND. That has been coming all fall.

Commissioner HARLAN. I mean stock over your division—did you not have offers of stock over your division as early this year as last year?

Mr. HOLLAND. Oh, yes; it has been moving all fall.

Commissioner HARLAN. And as early as it moved last year?

Mr. HOLLAND. Yes, sir; I think so—portions of it, at least.

Commissioner HARLAN. Mr. Holland, you say you make up your trains according to the capacity of your locomotives, do you not?

Mr. HOLLAND. Yes, sir.

Commissioner HARLAN. What is the capacity of your locomotives used on your division?

Mr. HOLLAND. Why, from Jamestown east, in good weather—summer weather, not freezing weather—we handle eighteen and nineteen hundred tons.

Commissioner HARLAN. How many cars would that be?

Mr. HOLLAND. For wheat it would make about thirty-five or thirty-six—somewheres along in there.

Commissioner HARLAN. How long have you been with the road?

Mr. HOLLAND. I have been in my present position one year; I have been with the road for thirteen years.

Commissioner HARLAN. Well, are they hauling more cars per locomotive than they did fifteen years ago?

Mr. HOLLAND. Yes; I think probably they are, because the engines are heavier now than they were five years ago.

Commissioner HARLAN. Heavier line engines?

Mr. HOLLAND. Yes, sir.

Commissioner HARLAN. Is the movement of your freight trains as fast per day now as five years ago?

Mr. HOLLAND. The number of trains?

Commissioner HARLAN. No; the movement per day, the number of miles covered per day?

Mr. HOLLAND. No; I do not think it is.

Commissioner HARLAN. In a general way, what is the difference in the number of miles covered per day by freight trains now and five years ago?

Mr. HOLLAND. I could not say as to that.

Commissioner HARLAN. Have you any idea about it?

Mr. HOLLAND. If I was to venture a guess, I would say that the mileage would be about the same.

Commissioner HARLAN. I thought you said it would not?

Mr. HOLLAND. Perhaps I did not understand your question. The miles covered by an engine——

Commissioner HARLAN. By a train—a freight train. Will the stenographer read my question, please?

The stenographer read as follows:

Is the movement of your freight trains as fast per day now as five years ago?

Mr. HOLLAND. I did not understand it then. I think that the miles covered per day probably was about the same as it was then.

Commissioner LANE. Mr. Holland, suppose that you had a larger number of switches and side tracks, and that you made up trains with fewer cars, could they not move faster than at present?

Mr. HOLLAND. Generally speaking, no.

Commissioner LANE. You just explain that to us.

Mr. HOLLAND. Well, as a rule, our meeting points between Jamestown and Fargo are only 2 to 4 miles apart, as a rule; and if there was a greater number of side tracks for them to go in on, the train would naturally be delayed taking these sidings. That is my view of it.

Commissioner LANE. Now, then, you have left out a consideration—the speed a train could make if it had less weight to carry.

Mr. HOLLAND. I do not think that would affect that materially. As it is they can get right along over the road; they are not stopped at stations.

Commissioner LANE. Now, you were here this morning, Mr. Holland. We want to get at the facts in this matter. There has been complaint made to us repeatedly from all portions of this territory regarding what is generally termed car shortage and complaints against the manner in which cars are handled and railroads operated, and we have come here to find out, in the interests of the public, just what the condition of things is, and, if possible, to point out to the railroad how that condition can be improved, or, if it is necessary, that some other incentive shall be given. Now, you are a practical railroad man. We have to rely, to a large extent, to the railroad men for advice upon these kinds of questions. Will you give me your reasons why it takes so long to move from North Dakota to Duluth a train load of wheat? Why there should be complaints that it takes in some cases thirty and forty days? It would seem that on your division there is no trouble. You do not suggest any way by which that service could be improved. Now, give us the benefit of your

knowledge as an expert railroad man—regarding yourself as, in a sense, in the public service—as to how better time can be made from North Dakota to Duluth, so that the cars will not take thirty or forty days.

Mr. HOLLAND. I would like to be able to answer that question. It would solve a good deal of this trouble, if I could, I presume.

Commissioner LANE. You do not know of any way by which the service on the Northern Pacific, between North Dakota and Duluth, can be improved, in the matter of train service, in which you are a railroad expert?

Mr. HOLLAND. I do not know how we can make any improvement on the present conditions in the way of getting freight over the road.

Commissioner LANE. That is all.

Mr. BUNN. If you will pardon me, we have brought with us the gentleman who moves all these cars—the general manager of the road—who can answer that question.

Commissioner LANE. We would be very glad indeed to have him answer, and you can feel at liberty to put on what witnesses you desire.

Mr. BUNN. You can hardly expect an answer to that question from the witness on the stand.

Commissioner LANE. I do not know, Mr. Bunn, whether it is expected under these circumstances or not.

Mr. MARBLE. You would not recommend putting more tonnage on the trains to get the freight over the road, would you?

Mr. HOLLAND. I would not want to recommend overloading.

Mr. MARBLE. If you put on any more, you think they would be overloaded?

Mr. HOLLAND. Yes; the engines that we operate this fall could probably have handled another hundred tons.

Mr. MARBLE. Why didn't you put it on?

Mr. HOLLAND. Because they would be liable to break in two.

Mr. MARBLE. And they could not have handled it?

Mr. HOLLAND. It would have been at a loss.

Mr. MARBLE. That is to say, your train would have broken in two; it would have been too heavy for the couplings.

Mr. HOLLAND. It would have been apt to break in two.

Mr. MARBLE. Then you have loaded trains to the capacity of the couplings to hold together, within a hundred tons?

Mr. HOLLAND. Well, it was not exactly that I meant. It is not the strain that would break them in two, perhaps, but when a train would jerk it would not be liable to hold together. It would be too heavy and they would be apt to break in two.

Mr. MARBLE. And you think that if you had put two more cars on these trains they would have broken in two?

Mr. HOLLAND. Not in every case.

Mr. MARBLE. There would have been danger of that, and that is the reason you did not put them on?

Mr. HOLLAND. We have handled two thousand tons on our trains and did not break them in two. We thought it was better operation to handle nineteen hundred tons.

Mr. MARBLE. Are your engines all new engines?

Mr. HOLLAND. No.

Mr. MARBLE. How long have some of them been in use?

Mr. HOLLAND. We got some of them this fall and some of them have been here for long before I came; I could not say how long.

Mr. MARBLE. Have you got some of the Brookes, nineteen by twenty-six, five-hundred's, up there?

Mr. HOLLAND. Commonly known as Mogul?

Mr. MARBLE. I believe so.

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. They have been in use quite a number of years?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. Do you know whether or not the capacity of those engines is higher this year than it ever was before?

Mr. HOLLAND. No, sir; it is not.

Mr. MARBLE. Is it less?

Mr. HOLLAND. I think it is rated about 100 tons less than it has been in former years.

Mr. MARBLE. Would you say it was less 100 tons this year than it was in 1900?

Mr. HOLLAND. In 1900 we were handling 1,350 tons with those engines, and this year we have been handling most of those engines on way freights—light trains.

Mr. MARBLE. You have not put them on heavy trains this year?

Mr. HOLLAND. No, sir; not as a rule.

Mr. MARBLE. Are the engines generally loaded heavier this year than last year, or lighter?

Mr. HOLLAND. The same class of engines?

Mr. MARBLE. The same class comparing with the same class of engines—is your tonnage heavier or lighter per engine?

Mr. HOLLAND. Practically the same.

Mr. MARBLE. You want to be understood as swearing in response to Commissioner Harlan's question that trains move as fast now as they did five years ago?

Mr. HOLLAND. I think they do.

Mr. MARBLE. Not loaded heavier?

Mr. HOLLAND. The same class of engines.

Mr. MARBLE. Your trains are not loaded heavier where the same class of engines is used?

Mr. HOLLAND. No, sir.

Mr. MARBLE. Are you making as good a record in getting freight over the road as you did five years ago?

Mr. HOLLAND. I can not say that we are.

Mr. MARBLE. Why not?

Mr. HOLLAND. Probably due to the greater volume of business.

Mr. MARBLE. You get more over the road if you have a greater volume of business, but the movement is slower than with the less volume. Is that it?

Mr. HOLLAND. There are more trains to meet and greater train interference.

Mr. MARBLE. Then all the trouble has been train interference. Is it not a fact that freight trains are so heavy and so long now as compared with five years ago that you have to make them a larger headway allowance in order to get a passenger train over the road than you did then?

Mr. HOLLAND. No; I think that they will make as good meeting points.

Mr. MARBLE. Do you say one of these trains of dead freight has to have greater or less headway than it did five years ago?

Mr. HOLLAND. As a rule, I think they will make as good meeting points as they did then.

Mr. MARBLE. You do not have to give them a larger allowance now?

Mr. HOLLAND. I think about the same.

Mr. MARBLE. How about empty cars? Have you had empty cars to fill the orders coming to you?

Mr. HOLLAND. Empties have been scarce; yes.

Mr. MARBLE. How scarce? Have you had to let orders go unfilled for quite awhile?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. Have you had trouble in furnishing stock cars?

Mr. HOLLAND. Some.

Mr. MARBLE. Well, how much have men had to wait; a week?

Mr. HOLLAND. In some cases they have.

Mr. MARBLE. Two weeks?

Mr. HOLLAND. I think that probably is the limit.

Mr. MARBLE. You do not know anyone that has had to wait twenty days?

Mr. HOLLAND. I do not recollect it now.

Mr. MARBLE. Have you had trouble in getting box cars?

Mr. HOLLAND. Yes; box cars have been scarce.

Mr. MARBLE. Is there trouble now?

Mr. HOLLAND. Not so much as it has been.

Mr. MARBLE. Have you had complaint of lack of box cars at Jamestown?

Mr. HOLLAND. Yes.

Mr. MARBLE. How long have you had complaint?

Mr. HOLLAND. Well, probably—you mean to fill local orders with?

Mr. MARBLE. I mean to fill orders that you chose to fill. How many available box cars have you had? How long have you had available cars in the yards at Jamestown?

Mr. HOLLAND. Probably a week.

Mr. MARBLE. They have been coming and going during that week?

Mr. HOLLAND. Yes, sir; this past week they have not moved very freely on account of weather conditions.

Mr. MARBLE. Bad weather at Jamestown?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. And that is the only thing that has kept them from moving?

Mr. HOLLAND. I think that is the greatest reason.

Mr. MARBLE. What do you mean by that? Do you mean that your track has been blocked?

Mr. HOLLAND. Snow interference.

Mr. MARBLE. So the trains could not run?

Mr. HOLLAND. Yes.

Mr. MARBLE. The trains have been blocked out of Jamestown?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. And no lack of power at all?

Mr. HOLLAND. Well, in some respects, yes; and in another way, no.

Mr. MARBLE. In what respects yes?

Mr. HOLLAND. We would—we handled loads such as coal in preference to empties, and we have moved more empties on local trains to

other points than we would have, if we had been able to have handled the empties on the other trains that were filled with loads.

Mr. MARBLE. Did you or did you not have enough engines? If you had had enough engines could you have sent more trains over the road than you did?

Mr. HOLLAND. It might possibly have been one day this week, but not to exceed that.

Mr. MARBLE. Not to exceed that. Do you know how many box cars you had in your Jamestown yard on the 14th?

Mr. HOLLAND. I do not.

Mr. MARBLE. Do you know whether or not you had 43 very large cars standing in one string empty?

Mr. HOLLAND. We had a string of empties there.

Mr. MARBLE. How long have they been there?

Mr. HOLLAND. They have been there for four or five days.

Mr. MARBLE. Only four or five days?

Mr. HOLLAND. That is about it.

Mr. MARBLE. Haven't they been there six days?

Mr. HOLLAND. They may possibly have been, but I do not think it.

Mr. MARBLE. Do you know whether that number is correct—43?

Mr. HOLLAND. I do not.

Mr. MARBLE. Sixties and eighties, mostly 80,000-capacity cars?

Mr. HOLLAND. I do not know.

Mr. MARBLE. How much company coal have you got at Jamestown—do you know?

Mr. HOLLAND. Storage in cars?

Mr. MARBLE. In supply at Jamestown.

Mr. HOLLAND. That is out of my jurisdiction.

Mr. MARBLE. How much have you got standing in cars?

Mr. HOLLAND. Probably 5 or 6 cars.

Mr. MARBLE. That is all?

Mr. HOLLAND. I think so.

Mr. MARBLE. You do not know how much there is in storage other than that?

Mr. HOLLAND. I do not know.

Mr. MARBLE. Does your road have storage bins for coal?

Mr. HOLLAND. It has a coal dump with a bin in connection with it.

Mr. MARBLE. How long have those cars been standing there with coal in them?

Mr. HOLLAND. No length of time.

Mr. MARBLE. Well, how long?

Mr. HOLLAND. Some of them came in Sunday; and they are probably used up by this time.

Mr. MARBLE. Probably used up? You are using out of the cars?

Mr. HOLLAND. We unload right from the car into the dump.

Mr. MARBLE. Do you unload into the bin?

Mr. HOLLAND. No.

Mr. MARBLE. You unload into a chute?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. That goes to the engine?

Mr. HOLLAND. Into the elevator, and then that goes into the engine.

Mr. MARBLE. Now, then, when you get loaded cars for the com-

pany, does the coal stand in the cars until such time as it is unloaded into that elevator?

Mr. HOLLAND. I presume, as a rule, it does, unless it is put into the storage.

Mr. MARBLE. How often is it put into the storage bin?

Mr. HOLLAND. As fast as they can get it unloaded.

Mr. MARBLE. Is there delay in unloading?

Mr. HOLLAND. Not excessive delay, I think.

Mr. MARBLE. Is it not a fact that the company coal pretty largely is unloaded from the cars into the elevator?

Mr. HOLLAND. I think that is the practice.

Mr. MARBLE. At how many points on your division do you supply coal to the engines?

Mr. HOLLAND. At Fargo, Valley City, and Dawson, on the main line.

Mr. MARBLE. Now, have you been to these points?

Mr. HOLLAND. They have practically the same kind of an arrangement that we have at Jamestown.

Mr. MARBLE. At all of them?

Mr. HOLLAND. Yes.

Mr. MARBLE. How much coal is standing at these points—company coal?

Mr. HOLLAND. Practically none.

Mr. MARBLE. How much is in the yards?

Mr. HOLLAND. I do not know.

Mr. MARBLE. Recently cars of coal have gone into these points—have you put them into the bin or have they been put into the chutes?

Mr. HOLLAND. I do not handle the coal myself.

Mr. MARBLE. You do not order the cars for unloading?

Mr. HOLLAND. No, sir.

Mr. MARBLE. So you can not testify as to that?

Mr. HOLLAND. No.

Mr. MARBLE. Before we adjourn, we have a number of train dispatchers—Mr. Philbin, of Superior——

Commissioner LANE. Mr. Holland, you will return at 2 o'clock?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. The railroad men from the country who have come to the city, including Mr. Kyle, who have brought in certain records—I would like to see them here immediately after the adjournment of the Commission so that we can expedite matters, and let them get through and get away. By meeting them now, I can save considerable time.

Commissioner LANE. We will now take an adjournment at this time until 2 o'clock p. m.

(Thereupon, at 12.20 o'clock p. m., the Commission took an adjournment until 2 o'clock p. m.)

AFTER RECESS.

Commissioner LANE. Gentlemen, we are ready to proceed.

Mr. MARBLE. I will call Mr. Blanchard.

E. C. BLANCHARD, called as a witness, was duly sworn, and testified as follows:

Mr. MARBLE. Mr. Blanchard, you reside at Duluth, Minn.?

Mr. BLANCHARD. I do.

Mr. MARBLE. And you are division superintendent of the Northern Pacific Railroad?

Mr. BLANCHARD. I am.

Mr. MARBLE. And in charge of the terminal there?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. What is the present condition of that terminal as to the congestion of cars?

Mr. BLANCHARD. It is in a very fair condition—very slightly congested.

Mr. MARBLE. And that means that you have been clearing it up since navigation closed?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. What has been the condition there this crop season?

Mr. BLANCHARD. The conditions were fair until about the 10th to the 15th of November, about which time we were badly congested.

Mr. MARBLE. After the 10th of November?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Why was that—what caused that congestion?

Mr. BLANCHARD. On account of the large increase of business both inbound and outbound, especially outbound.

Mr. MARBLE. In what commodity has the business increased?

Mr. BLANCHARD. Almost every commodity.

Mr. MARBLE. Has there been enough increase in grain to explain any part of this congestion?

Mr. BLANCHARD. A slight increase in grain.

Mr. MARBLE. Has there been enough to explain this congestion at all?

Mr. BLANCHARD. That, added to the other increases, resulted in the congestion.

Mr. MARBLE. Helped to increase it? What commodity has increased in receipts more than grain?

Mr. BLANCHARD. Receipts?

Mr. MARBLE. Yes.

Mr. BLANCHARD. Well, lumber from the Pacific coast, and almost every other commodity. I do not know as I can enumerate the increases in each one of them.

Mr. MARBLE. And in your shipments out, what commodities increased?

Mr. BLANCHARD. Coal and lumber; principally coal.

Mr. MARBLE. Principally coal?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Now, did you ship out more coal than customarily?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. More than last year?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. To what points has the coal gone?

Mr. BLANCHARD. To points in the Northwest and Southwest.

Mr. MARBLE. Has that been coal for railroad consumption, or for private consumption?

Mr. BLANCHARD. Both.

Mr. MARBLE. Have you shipped out an increased quantity of coal for private consumption?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. To North Dakota?

Mr. BLANCHARD. I could not tell you as to the territory, but I think we have.

Mr. MARBLE. As to the commodities received, how much has iron-ore business increased this year over last year?

Mr. BLANCHARD. We do not handle iron ore—the Northern Pacific.

Mr. MARBLE. That don't go through your yards at all?

Mr. BLANCHARD. No, sir; that is, only a small amount going to the local industries, the Zenith Furnace Company.

Mr. MARBLE. Are you at all hampered by the conditions of the Great Northern, particularly the terminal in Duluth, or have you been?

Mr. BLANCHARD. The Great Northern terminal in Duluth?

Mr. MARBLE. Yes; the Great Northern terminals at that point—the Head of the Lakes? Have conditions there hampered you?

Mr. BLANCHARD. At Duluth proper?

Mr. MARBLE. Duluth or Superior.

Mr. BLANCHARD. No, sir.

Mr. MARBLE. When there were cars to be brought from the Great Northern to your yards, was there difficulty about getting them to your yards?

Mr. BLANCHARD. At certain times we are congested perhaps for a few hours, and we might not be able to receive a train of cars from them, but there is no serious delay.

Mr. MARBLE. Are your terminals large enough, did you say?

Mr. BLANCHARD. Not large enough to handle the business we have had in the last three months.

Mr. MARBLE. Do you think they ought to be made larger?

Mr. BLANCHARD. Yes; I think there should be some increased facilities.

Mr. MARBLE. How long have you thought that?

Mr. BLANCHARD. Since 1905.

Mr. MARBLE. Since 1905?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Have they been increased since 1905?

Mr. BLANCHARD. We attempted to increase them, but could not succeed in getting the work done.

Mr. MARBLE. Why?

Mr. BLANCHARD. Because we had to make a fill of land on Rice's Point by dredges, and the contractor who took the contract to have the dredging done could not perform the work in time for the movement of grain.

Mr. MARBLE. Was there some physical impossibility which they met as a reason that they were not enlarged?

Mr. BLANCHARD. They met with unavoidable delays, I presume.

Mr. MARBLE. Was there difficulty in getting men?

Mr. BLANCHARD. Difficulty in getting dredges and men, and breakdowns and other unavoidable reasons, I presume.

Mr. MARBLE. You heard the testimony this morning?

Mr. BLANCHARD. Part of it.

Mr. MARBLE. You heard these statements as to a great many Northern Pacific cars and the long time they were in getting through the terminal to the elevators, and the great many days they were delayed?

Mr. BLANCHARD. I heard some of the testimony; yes, sir.

Mr. MARBLE. And you heard there were a good many complaints, and you got a letter from the board of trade relative to that matter?

Mr. BLANCHARD. I did.

Mr. MARBLE. Which you replied to?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. And you said that the elevators had not delayed you this year?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Have you had power enough there?

Mr. BLANCHARD. No; I have not.

Mr. MARBLE. Has that been one of the reasons for this congestion?

Mr. BLANCHARD. One of them.

Mr. MARBLE. And one of them, you say, was that the terminal was not large enough?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Have you had any trouble over the fact that trains coming in were too large? If trains came in more frequently and with fewer cars in the trains, would that help you any?

Mr. BLANCHARD. It would not.

Mr. MARBLE. The trains do not congest you when they come in there?

Mr. BLANCHARD. No, sir.

Mr. MARBLE. Is it your observation that the trains are too heavily loaded?

Mr. BLANCHARD. No, sir.

Mr. MARBLE. What percentage of their capacity is put on these engines, do you know?

Mr. BLANCHARD. I should say 85 to 90 per cent of their capacity.

Mr. MARBLE. Take an engine loaded to 85 or 90 per cent of its capacity, and if it gets behind time, has it reserve power to make up time?

Mr. BLANCHARD. It has reserve power sufficient to make good freight time.

Mr. MARBLE. What is "good freight time?"

Mr. BLANCHARD. I should say—you mean including unavoidable delays, meeting trains, taking coal and water, etc.; the average over a district?

Mr. MARBLE. You might get in so many unavoidable delays that there would be nothing very illuminating in your answer. In the first place, if the train is not delayed by meeting other trains—if it is simply stopped to get water and coal—what would you say ought to be its time for going over a division of 100 miles?

Mr. BLANCHARD. They should make about 10 miles per hour on an average.

Mr. MARBLE. Ten miles per hour on an average?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. What time have your trains made during the last three months.

Mr. BLANCHARD. From 8 to 10 miles per hour.

Mr. MARBLE. How long has it taken to cover the division?

Mr. BLANCHARD. The district—from fourteen to sixteen or eighteen hours, occasionally.

Mr. MARBLE. What is the length of that division?

Mr. BLANCHARD. The district from Duluth to Staples is 148 miles and from Duluth to St. Paul 152 miles.

Mr. MARBLE. And that division has been covered in this time, you say?

Mr. BLANCHARD. Approximately.

Mr. MARBLE. Have you had unavoidable delays—very many of them—that have increased that time?

Mr. BLANCHARD. At terminals only.

Mr. MARBLE. At terminals?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. At what terminals?

Mr. BLANCHARD. At Superior and what we call South Superior.

Mr. MARBLE. You mean delays in getting started out?

Mr. BLANCHARD. Delays in getting started out.

Mr. MARBLE. And delays in getting in?

Mr. BLANCHARD. And delays—a few delays—in getting in.

Mr. MARBLE. What caused the delays in starting out?

Mr. BLANCHARD. Well, unforeseen obstacles in the way of making up trains. For instance, the yardmaster would notify the dispatcher that he could have a train made up at 2 p. m., and on account of certain congestions that he could not foresee, and other accidents, perhaps, the train would be delayed an hour and a half or two hours in getting started from Duluth. Our outbound trains all run through Superior, and we have also—just to the same extent there are some delays in getting through the Superior yards.

Mr. MARBLE. One or two hours in Duluth and a similar delay in Superior, for instance?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Of course the engine and cars are out of use to that extent. Can you not avoid that?

Mr. BLANCHARD. Not without increasing the facilities, which we hope to do, and which we intended to do this season.

Mr. MARBLE. Take the ordinary 80,000-pound car, loaded with wheat, that comes in. How much wheat does that car actually contain, as a matter of fact?

Mr. BLANCHARD. It carries its full capacity and sometimes more.

Mr. MARBLE. I am asking you what tonnage those cars actually bring in.

Mr. BLANCHARD. An 80,000-pound car actually brings in 80,000 pounds, as near as I know.

Mr. MARBLE. Are they not loaded over their capacity? Are not your people instructed to load them over their capacity?

Mr. BLANCHARD. We allow shippers to load them 10 per cent over capacity.

Mr. MARBLE. Don't you demand that they be loaded 10 per cent over their marked capacity?

Mr. BLANCHARD. I never heard so.

Mr. MARBLE. You say that 10 per cent over capacity is the maximum load as a matter of fact?

Mr. BLANCHARD. Yes; that is all it could be loaded.

Mr. MARBLE. And that is all that is loaded?

Mr. BLANCHARD. Yes, sir; as far as I know.

Mr. MARBLE. Those pass under your eye, do they?

Mr. BLANCHARD. They do not.

Mr. BLANCHARD. I heard some of the testimony; yes, sir.

Mr. MARBLE. And you heard there were a good many complaints, and you got a letter from the board of trade relative to that matter?

Mr. BLANCHARD. I did.

Mr. MARBLE. Which you replied to?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. And you said that the elevators had not delayed you this year?

Mr. BLANCHARD. Yes, sir.

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Mr. MARBLE. Has that been one of the reasons for this congestion?

Mr. BLANCHARD. One of them.

Mr. MARBLE. And one of them, you say, was that the terminal was not large enough?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Have you had any trouble over the fact that trains coming in were too large? If trains came in more frequently and with fewer cars in the trains, would that help you any?

Mr. BLANCHARD. It would not.

Mr. MARBLE. The trains do not congest you when they come in there?

Mr. BLANCHARD. No, sir.

Mr. MARBLE. Is it your observation that the trains are too heavily loaded?

Mr. BLANCHARD. No, sir.

Mr. MARBLE. What percentage of their capacity is put on these engines, do you know?

Mr. BLANCHARD. I should say 85 to 90 per cent of their capacity.

Mr. MARBLE. Take an engine loaded to 85 or 90 per cent of its capacity, and if it gets behind time, has it reserve power to make up time?

Mr. BLANCHARD. It has reserve power sufficient to make good freight time.

Mr. MARBLE. What is "good freight time?"

Mr. BLANCHARD. I should say—you mean including unavoidable delays, meeting trains, taking coal and water, etc.; the average over a district?

Mr. MARBLE. You might get in so many unavoidable delays that there would be nothing very illuminating in your answer. In the first place, if the train is not delayed by meeting other trains—if it is simply stopped to get water and coal—what would you say ought to be its time for going over a division of 100 miles?

Mr. BLANCHARD. They should make about 10 miles per hour on an average.

Mr. MARBLE. Ten miles per hour on an average?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. What time have your trains made during the last three months.

Mr. BLANCHARD. From 8 to 10 miles per hour.

Mr. MARBLE. How long has it taken to cover the division?

Mr. BLANCHARD. The district—from fourteen to sixteen or eighteen hours, occasionally.

Mr. MARBLE. What is the length of that division?

Mr. BLANCHARD. The district from Duluth to Staples is 148 miles and from Duluth to St. Paul 152 miles.

Mr. MARBLE. And that division has been covered in this time, you say?

Mr. BLANCHARD. Approximately.

Mr. MARBLE. Have you had unavoidable delays—very many of them—that have increased that time?

Mr. BLANCHARD. At terminals only.

Mr. MARBLE. At terminals?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. At what terminals?

Mr. BLANCHARD. At Superior and what we call South Superior.

Mr. MARBLE. You mean delays in getting started out?

Mr. BLANCHARD. Delays in getting started out.

Mr. MARBLE. And delays in getting in?

Mr. BLANCHARD. And delays—a few delays—in getting in.

Mr. MARBLE. What caused the delays in starting out?

Mr. BLANCHARD. Well, unforeseen obstacles in the way of making up trains. For instance, the yardmaster would notify the dispatcher that he could have a train made up at 2 p. m., and on account of certain congestions that he could not foresee, and other accidents, perhaps, the train would be delayed an hour and a half or two hours in getting started from Duluth. Our outbound trains all run through Superior, and we have also—just to the same extent there are some delays in getting through the Superior yards.

Mr. MARBLE. One or two hours in Duluth and a similar delay in Superior, for instance?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Of course the engine and cars are out of use to that extent. Can you not avoid that?

Mr. BLANCHARD. Not without increasing the facilities, which we hope to do, and which we intended to do this season.

Mr. MARBLE. Take the ordinary 80,000-pound car, loaded with wheat, that comes in. How much wheat does that car actually contain, as a matter of fact?

Mr. BLANCHARD. It carries its full capacity and sometimes more.

Mr. MARBLE. I am asking you what tonnage those cars actually bring in.

Mr. BLANCHARD. An 80,000-pound car actually brings in 80,000 pounds, as near as I know.

Mr. MARBLE. Are they not loaded over their capacity? Are not your people instructed to load them over their capacity?

Mr. BLANCHARD. We allow shippers to load them 10 per cent over capacity.

Mr. MARBLE. Don't you demand that they be loaded 10 per cent over their marked capacity?

Mr. BLANCHARD. I never heard so.

Mr. MARBLE. You say that 10 per cent over capacity is the maximum load as a matter of fact?

Mr. BLANCHARD. Yes; that is all it could be loaded.

Mr. MARBLE. And that is all that is loaded?

Mr. BLANCHARD. Yes, sir; as far as I know.

Mr. MARBLE. Those pass under your eye, do they?

Mr. BLANCHARD. They do not.

Commissioner HARLAN. Is the movement of your freight trains as fast per day now as five years ago?

Mr. HOLLAND. The number of trains?

Commissioner HARLAN. No; the movement per day, the number of miles covered per day?

Mr. HOLLAND. No; I do not think it is.

Commissioner HARLAN. In a general way, what is the difference in the number of miles covered per day by freight trains now and five years ago?

Mr. HOLLAND. I could not say as to that.

Commissioner HARLAN. Have you any idea about it?

Mr. HOLLAND. If I was to venture a guess, I would say that the mileage would be about the same.

Commissioner HARLAN. I thought you said it would not?

Mr. HOLLAND. Perhaps I did not understand your question. The miles covered by an engine——

Commissioner HARLAN. By a train—a freight train. Will the stenographer read my question, please?

The stenographer read as follows:

Is the movement of your freight trains as fast per day now as five years ago?

Mr. HOLLAND. I did not understand it then. I think that the miles covered per day probably was about the same as it was then.

Commissioner LANE. Mr. Holland, suppose that you had a larger number of switches and side tracks, and that you made up trains with fewer cars, could they not move faster than at present?

Mr. HOLLAND. Generally speaking, no.

Commissioner LANE. You just explain that to us.

Mr. HOLLAND. Well, as a rule, our meeting points between Jamestown and Fargo are only 2 to 4 miles apart, as a rule; and if there was a greater number of side tracks for them to go in on, the train would naturally be delayed taking these sidings. That is my view of it.

Commissioner LANE. Now, then, you have left out a consideration—the speed a train could make if it had less weight to carry.

Mr. HOLLAND. I do not think that would affect that materially. As it is they can get right along over the road; they are not stopped at stations.

Commissioner LANE. Now, you were here this morning, Mr. Holland. We want to get at the facts in this matter. There has been complaint made to us repeatedly from all portions of this territory regarding what is generally termed car shortage and complaints against the manner in which cars are handled and railroads operated, and we have come here to find out, in the interests of the public, just what the condition of things is, and, if possible, to point out to the railroad how that condition can be improved, or, if it is necessary, that some other incentive shall be given. Now, you are a practical railroad man. We have to rely, to a large extent, to the railroad men for advice upon these kinds of questions. Will you give me your reasons why it takes so long to move from North Dakota to Duluth a train load of wheat? Why there should be complaints that it takes in some cases thirty and forty days? It would seem that on your division there is no trouble. You do not suggest any way by which that service could be improved. Now, give us the benefit of your

knowledge as an expert railroad man—regarding yourself as, in a sense, in the public service—as to how better time can be made from North Dakota to Duluth, so that the cars will not take thirty or forty days.

Mr. HOLLAND. I would like to be able to answer that question. It would solve a good deal of this trouble, if I could, I presume.

Commissioner LANE. You do not know of any way by which the service on the Northern Pacific, between North Dakota and Duluth, can be improved, in the matter of train service, in which you are a railroad expert?

Mr. HOLLAND. I do not know how we can make any improvement on the present conditions in the way of getting freight over the road.

Commissioner LANE. That is all.

Mr. BUNN. If you will pardon me, we have brought with us the gentleman who moves all these cars—the general manager of the road—who can answer that question.

Commissioner LANE. We would be very glad indeed to have him answer, and you can feel at liberty to put on what witnesses you desire.

Mr. BUNN. You can hardly expect an answer to that question from the witness on the stand.

Commissioner LANE. I do not know, Mr. Bunn, whether it is expected under these circumstances or not.

Mr. MARBLE. You would not recommend putting more tonnage on the trains to get the freight over the road, would you?

Mr. HOLLAND. I would not want to recommend overloading.

Mr. MARBLE. If you put on any more, you think they would be overloaded?

Mr. HOLLAND. Yes; the engines that we operate this fall could probably have handled another hundred tons.

Mr. MARBLE. Why didn't you put it on?

Mr. HOLLAND. Because they would be liable to break in two.

Mr. MARBLE. And they could not have handled it?

Mr. HOLLAND. It would have been at a loss.

Mr. MARBLE. That is to say, your train would have broken in two; it would have been too heavy for the couplings.

Mr. HOLLAND. It would have been apt to break in two.

Mr. MARBLE. Then you have loaded trains to the capacity of the couplings to hold together, within a hundred tons?

Mr. HOLLAND. Well, it was not exactly that I meant. It is not the strain that would break them in two, perhaps, but when a train would jerk it would not be liable to hold together. It would be too heavy and they would be apt to break in two.

Mr. MARBLE. And you think that if you had put two more cars on these trains they would have broken in two?

Mr. HOLLAND. Not in every case.

Mr. MARBLE. There would have been danger of that, and that is the reason you did not put them on?

Mr. HOLLAND. We have handled two thousand tons on our trains and did not break them in two. We thought it was better operation to handle nineteen hundred tons.

Mr. MARBLE. Are your engines all new engines?

Mr. HOLLAND. No.

Mr. MARBLE. How long have some of them been in use?

Mr. HOLLAND. We got some of them this fall and some of them have been here for long before I came; I could not say how long.

Mr. MARBLE. Have you got some of the Brookes, nineteen by twenty-six, five-hundred's, up there?

Mr. HOLLAND. Commonly known as Mogul?

Mr. MARBLE. I believe so.

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. They have been in use quite a number of years?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. Do you know whether or not the capacity of those engines is higher this year than it ever was before?

Mr. HOLLAND. No, sir; it is not.

Mr. MARBLE. Is it less?

Mr. HOLLAND. I think it is rated about 100 tons less than it has been in former years.

Mr. MARBLE. Would you say it was less 100 tons this year than it was in 1900?

Mr. HOLLAND. In 1900 we were handling 1,350 tons with those engines, and this year we have been handling most of those engines on way freights—light trains.

Mr. MARBLE. You have not put them on heavy trains this year?

Mr. HOLLAND. No, sir; not as a rule.

Mr. MARBLE. Are the engines generally loaded heavier this year than last year, or lighter?

Mr. HOLLAND. The same class of engines?

Mr. MARBLE. The same class comparing with the same class of engines—is your tonnage heavier or lighter per engine?

Mr. HOLLAND. Practically the same.

Mr. MARBLE. You want to be understood as swearing in response to Commissioner Harlan's question that trains move as fast now as they did five years ago?

Mr. HOLLAND. I think they do.

Mr. MARBLE. Not loaded heavier?

Mr. HOLLAND. The same class of engines.

Mr. MARBLE. Your trains are not loaded heavier where the same class of engines is used?

Mr. HOLLAND. No, sir.

Mr. MARBLE. Are you making as good a record in getting freight over the road as you did five years ago?

Mr. HOLLAND. I can not say that we are.

Mr. MARBLE. Why not?

Mr. HOLLAND. Probably due to the greater volume of business.

Mr. MARBLE. You get more over the road if you have a greater volume of business, but the movement is slower than with the less volume. Is that it?

Mr. HOLLAND. There are more trains to meet and greater train interference.

Mr. MARBLE. Then all the trouble has been train interference. Is it not a fact that freight trains are so heavy and so long now as compared with five years ago that you have to make them a larger headway allowance in order to get a passenger train over the road than you did then?

Mr. HOLLAND. No; I think that they will make as good meeting ints.

Mr. MARBLE. Do you say one of these trains of dead freight has to have greater or less headway than it did five years ago?

Mr. HOLLAND. As a rule, I think they will make as good meeting points as they did then.

Mr. MARBLE. You do not have to give them a larger allowance now?

Mr. HOLLAND. I think about the same.

Mr. MARBLE. How about empty cars? Have you had empty cars to fill the orders coming to you?

Mr. HOLLAND. Empties have been scarce; yes.

Mr. MARBLE. How scarce? Have you had to let orders go unfilled for quite awhile?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. Have you had trouble in furnishing stock cars?

Mr. HOLLAND. Some.

Mr. MARBLE. Well, how much have men had to wait; a week?

Mr. HOLLAND. In some cases they have.

Mr. MARBLE. Two weeks?

Mr. HOLLAND. I think that probably is the limit.

Mr. MARBLE. You do not know anyone that has had to wait twenty days?

Mr. HOLLAND. I do not recollect it now.

Mr. MARBLE. Have you had trouble in getting box cars?

Mr. HOLLAND. Yes; box cars have been scarce.

Mr. MARBLE. Is there trouble now?

Mr. HOLLAND. Not so much as it has been.

Mr. MARBLE. Have you had complaint of lack of box cars at Jamestown?

Mr. HOLLAND. Yes.

Mr. MARBLE. How long have you had complaint?

Mr. HOLLAND. Well, probably—you mean to fill local orders with?

Mr. MARBLE. I mean to fill orders that you chose to fill. How many available box cars have you had? How long have you had available cars in the yards at Jamestown?

Mr. HOLLAND. Probably a week.

Mr. MARBLE. They have been coming and going during that week?

Mr. HOLLAND. Yes, sir; this past week they have not moved very freely on account of weather conditions.

Mr. MARBLE. Bad weather at Jamestown?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. And that is the only thing that has kept them from moving?

Mr. HOLLAND. I think that is the greatest reason.

Mr. MARBLE. What do you mean by that? Do you mean that your track has been blocked?

Mr. HOLLAND. Snow interference.

Mr. MARBLE. So the trains could not run?

Mr. HOLLAND. Yes.

Mr. MARBLE. The trains have been blocked out of Jamestown?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. And no lack of power at all?

Mr. HOLLAND. Well, in some respects, yes; and in another way, no.

Mr. MARBLE. In what respects yes?

Mr. HOLLAND. We would—we handled loads such as coal in preference to empties, and we have moved more empties on local trains

other points than we would have, if we had been able to have handled the empties on the other trains that were filled with loads.

Mr. MARBLE. Did you or did you not have enough engines? If you had had enough engines could you have sent more trains over the road than you did?

Mr. HOLLAND. It might possibly have been one day this week, but not to exceed that.

Mr. MARBLE. Not to exceed that. Do you know how many box cars you had in your Jamestown yard on the 14th?

Mr. HOLLAND. I do not.

Mr. MARBLE. Do you know whether or not you had 43 very large cars standing in one string empty?

Mr. HOLLAND. We had a string of empties there.

Mr. MARBLE. How long have they been there?

Mr. HOLLAND. They have been there for four or five days.

Mr. MARBLE. Only four or five days?

Mr. HOLLAND. That is about it.

Mr. MARBLE. Haven't they been there six days?

Mr. HOLLAND. They may possibly have been, but I do not think it.

Mr. MARBLE. Do you know whether that number is correct—43?

Mr. HOLLAND. I do not.

Mr. MARBLE. Sixties and eighties, mostly 80,000-capacity cars?

Mr. HOLLAND. I do not know.

Mr. MARBLE. How much company coal have you got at Jamestown—do you know?

Mr. HOLLAND. Storage in cars?

Mr. MARBLE. In supply at Jamestown.

Mr. HOLLAND. That is out of my jurisdiction.

Mr. MARBLE. How much have you got standing in cars?

Mr. HOLLAND. Probably 5 or 6 cars.

Mr. MARBLE. That is all?

Mr. HOLLAND. I think so.

Mr. MARBLE. You do not know how much there is in storage other than that?

Mr. HOLLAND. I do not know.

Mr. MARBLE. Does your road have storage bins for coal?

Mr. HOLLAND. It has a coal dump with a bin in connection with it.

Mr. MARBLE. How long have those cars been standing there with coal in them?

Mr. HOLLAND. No length of time.

Mr. MARBLE. Well, how long?

Mr. HOLLAND. Some of them came in Sunday; and they are probably used up by this time.

Mr. MARBLE. Probably used up? You are using out of the cars?

Mr. HOLLAND. We unload right from the car into the dump.

Mr. MARBLE. Do you unload into the bin?

Mr. HOLLAND. No.

Mr. MARBLE. You unload into a chute?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. That goes to the engine?

Mr. HOLLAND. Into the elevator, and then that goes into the engine.

Mr. MARBLE. Now, then, when you get loaded cars for the com-

pany, does the coal stand in the cars until such time as it is unloaded into that elevator?

Mr. HOLLAND. I presume, as a rule, it does, unless it is put into the storage.

Mr. MARBLE. How often is it put into the storage bin?

Mr. HOLLAND. As fast as they can get it unloaded.

Mr. MARBLE. Is there delay in unloading?

Mr. HOLLAND. Not excessive delay, I think.

Mr. MARBLE. Is it not a fact that the company coal pretty largely is unloaded from the cars into the elevator?

Mr. HOLLAND. I think that is the practice.

Mr. MARBLE. At how many points on your division do you supply coal to the engines?

Mr. HOLLAND. At Fargo, Valley City, and Dawson, on the main line.

Mr. MARBLE. Now, have you been to these points?

Mr. HOLLAND. They have practically the same kind of an arrangement that we have at Jamestown.

Mr. MARBLE. At all of them?

Mr. HOLLAND. Yes.

Mr. MARBLE. How much coal is standing at these points—company coal?

Mr. HOLLAND. Practically none.

Mr. MARBLE. How much is in the yards?

Mr. HOLLAND. I do not know.

Mr. MARBLE. Recently cars of coal have gone into these points—have you put them into the bin or have they been put into the chutes?

Mr. HOLLAND. I do not handle the coal myself.

Mr. MARBLE. You do not order the cars for unloading?

Mr. HOLLAND. No, sir.

Mr. MARBLE. So you can not testify as to that?

Mr. HOLLAND. No.

Mr. MARBLE. Before we adjourn, we have a number of train dispatchers—Mr. Philbin, of Superior——

Commissioner LANE. Mr. Holland, you will return at 2 o'clock?

Mr. HOLLAND. Yes, sir.

Mr. MARBLE. The railroad men from the country who have come to the city, including Mr. Kyle, who have brought in certain records—I would like to see them here immediately after the adjournment of the Commission so that we can expedite matters, and let them get through and get away. By meeting them now, I can save considerable time.

Commissioner LANE. We will now take an adjournment at this time until 2 o'clock p. m.

(Thereupon, at 12.20 o'clock p. m., the Commission took an adjournment until 2 o'clock p. m.)

AFTER RECESS.

Commissioner LANE. Gentlemen, we are ready to proceed.

Mr. MARBLE. I will call Mr. Blanchard.

E. C. BLANCHARD, called as a witness, was duly sworn, and testified as follows:

Mr. MARBLE. Mr. Blanchard, you reside at Duluth, Minn.?

Mr. BLANCHARD. I do.

Mr. MARBLE. And you are division superintendent of the Northern Pacific Railroad?

Mr. BLANCHARD. I am.

Mr. MARBLE. And in charge of the terminal there?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. What is the present condition of that terminal as to the congestion of cars?

Mr. BLANCHARD. It is in a very fair condition—very slightly congested.

Mr. MARBLE. And that means that you have been clearing it up since navigation closed?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. What has been the condition there this crop season?

Mr. BLANCHARD. The conditions were fair until about the 10th to the 15th of November, about which time we were badly congested.

Mr. MARBLE. After the 10th of November?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Why was that—what caused that congestion?

Mr. BLANCHARD. On account of the large increase of business both inbound and outbound, especially outbound.

Mr. MARBLE. In what commodity has the business increased?

Mr. BLANCHARD. Almost every commodity.

Mr. MARBLE. Has there been enough increase in grain to explain any part of this congestion?

Mr. BLANCHARD. A slight increase in grain.

Mr. MARBLE. Has there been enough to explain this congestion at all?

Mr. BLANCHARD. That, added to the other increases, resulted in the congestion.

Mr. MARBLE. Helped to increase it? What commodity has increased in receipts more than grain?

Mr. BLANCHARD. Receipts?

Mr. MARBLE. Yes.

Mr. BLANCHARD. Well, lumber from the Pacific coast, and almost every other commodity. I do not know as I can enumerate the increases in each one of them.

Mr. MARBLE. And in your shipments out, what commodities increased?

Mr. BLANCHARD. Coal and lumber; principally coal.

Mr. MARBLE. Principally coal?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Now, did you ship out more coal than customarily?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. More than last year?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. To what points has the coal gone?

Mr. BLANCHARD. To points in the Northwest and Southwest.

Mr. MARBLE. Has that been coal for railroad consumption, or for private consumption?

Mr. BLANCHARD. Both.

Mr. MARBLE. Have you shipped out an increased quantity of coal for private consumption?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. To North Dakota?

Mr. BLANCHARD. I could not tell you as to the territory, but I think we have.

Mr. MARBLE. As to the commodities received, how much has iron-ore business increased this year over last year?

Mr. BLANCHARD. We do not handle iron ore—the Northern Pacific.

Mr. MARBLE. That don't go through your yards at all?

Mr. BLANCHARD. No, sir; that is, only a small amount going to the local industries, the Zenith Furnace Company.

Mr. MARBLE. Are you at all hampered by the conditions of the Great Northern, particularly the terminal in Duluth, or have you been?

Mr. BLANCHARD. The Great Northern terminal in Duluth?

Mr. MARBLE. Yes; the Great Northern terminals at that point—the Head of the Lakes? Have conditions there hampered you?

Mr. BLANCHARD. At Duluth proper?

Mr. MARBLE. Duluth or Superior.

Mr. BLANCHARD. No, sir.

Mr. MARBLE. When there were cars to be brought from the Great Northern to your yards, was there difficulty about getting them to your yards?

Mr. BLANCHARD. At certain times we are congested perhaps for a few hours, and we might not be able to receive a train of cars from them, but there is no serious delay.

Mr. MARBLE. Are your terminals large enough, did you say?

Mr. BLANCHARD. Not large enough to handle the business we have had in the last three months.

Mr. MARBLE. Do you think they ought to be made larger?

Mr. BLANCHARD. Yes; I think there should be some increased facilities.

Mr. MARBLE. How long have you thought that?

Mr. BLANCHARD. Since 1905.

Mr. MARBLE. Since 1905?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Have they been increased since 1905?

Mr. BLANCHARD. We attempted to increase them, but could not succeed in getting the work done.

Mr. MARBLE. Why?

Mr. BLANCHARD. Because we had to make a fill of land on Rice's Point by dredges, and the contractor who took the contract to have the dredging done could not perform the work in time for the movement of grain.

Mr. MARBLE. Was there some physical impossibility which they met as a reason that they were not enlarged?

Mr. BLANCHARD. They met with unavoidable delays, I presume.

Mr. MARBLE. Was there difficulty in getting men?

Mr. BLANCHARD. Difficulty in getting dredges and men, and breakdowns and other unavoidable reasons, I presume.

Mr. MARBLE. You heard the testimony this morning?

Mr. BLANCHARD. Part of it.

Mr. MARBLE. You heard these statements as to a great many Northern Pacific cars and the long time they were in getting through the terminal to the elevators, and the great many days they were delayed?

Mr. BLANCHARD. I heard some of the testimony; yes, sir.

Mr. MARBLE. And you heard there were a good many complaints, and you got a letter from the board of trade relative to that matter?

Mr. BLANCHARD. I did.

Mr. MARBLE. Which you replied to?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. And you said that the elevators had not delayed you this year?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Have you had power enough there?

Mr. BLANCHARD. No; I have not.

Mr. MARBLE. Has that been one of the reasons for this congestion?

Mr. BLANCHARD. One of them.

Mr. MARBLE. And one of them, you say, was that the terminal was not large enough?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Have you had any trouble over the fact that trains coming in were too large? If trains came in more frequently and with fewer cars in the trains, would that help you any?

Mr. BLANCHARD. It would not.

Mr. MARBLE. The trains do not congest you when they come in there?

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Mr. MARBLE. Is it your observation that the trains are too heavily loaded?

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Mr. MARBLE. Ten miles per hour on an average?

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Mr. MARBLE. What time have your trains made during the last three months.

Mr. BLANCHARD. From 8 to 10 miles per hour.

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Mr. MARBLE. One or two hours in Duluth and a similar delay in Superior, for instance?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Of course the engine and cars are out of use to that extent. Can you not avoid that?

Mr. BLANCHARD. Not without increasing the facilities, which we hope to do, and which we intended to do this season.

Mr. MARBLE. Take the ordinary 80,000-pound car, loaded with wheat, that comes in. How much wheat does that car actually contain, as a matter of fact?

Mr. BLANCHARD. It carries its full capacity and sometimes more.

Mr. MARBLE. I am asking you what tonnage those cars actually bring in.

Mr. BLANCHARD. An 80,000-pound car actually brings in 80,000 pounds, as near as I know.

Mr. MARBLE. Are they not loaded over their capacity? Are not your people instructed to load them over their capacity?

Mr. BLANCHARD. We allow shippers to load them 10 per cent over capacity.

Mr. MARBLE. Don't you demand that they be loaded 10 per cent over their marked capacity?

Mr. BLANCHARD. I never heard so.

Mr. MARBLE. You say that 10 per cent over capacity is the maximum load as a matter of fact?

Mr. BLANCHARD. Yes; that is all it could be loaded.

Mr. MARBLE. And that is all that is loaded?

Mr. BLANCHARD. Yes, sir; as far as I know.

Mr. MARBLE. Those pass under your eye, do they?

Mr. BLANCHARD. They do not.

Mr. MARBLE. If a car is loaded too heavy, what effect has that upon the braking power?

Mr. BLANCHARD. It has no material effect upon the braking power that I know of.

Mr. MARBLE. Does it not restrict the braking power, impair it, by loading the car too heavy?

Mr. BLANCHARD. It might to a very small extent.

Mr. MARBLE. Not enough, you say, to make a perceptible difference in running the train and in managing the train?

Mr. BLANCHARD. No, sir.

Mr. MARBLE. How long have you been in the railroad business?

Mr. BLANCHARD. About thirty years.

Mr. MARBLE. How long have you been with the Northern Pacific Railroad?

Mr. BLANCHARD. Twenty years.

Mr. MARBLE. Twenty years?

Mr. BLANCHARD. Twenty years—twenty-three years.

Mr. MARBLE. Consecutively?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. You are familiar with other roads as well, and their manner of doing business, I presume?

Mr. BLANCHARD. Fairly so.

Mr. MARBLE. Do you or do you not think your road is economically operated; too economically operated to get good service?

Mr. BLANCHARD. I don't.

Mr. MARBLE. Your road is operated very economically, is it not?

Mr. BLANCHARD. I presume so.

Mr. MARBLE. In fact, it is one of the three most economically operated roads in the country. Do you know whether that is true or not?

Mr. BLANCHARD. I do not.

Mr. MARBLE. Taking the percentage of the total income put out for operating expenses. Do you know about that?

Mr. BLANCHARD. I do not.

Mr. MARBLE. Do you know what the policy of your road is in regard to loading engines? Is it to get tonnage at the expense of speed?

Mr. BLANCHARD. No, sir.

Mr. MARBLE. You favor speed, even at the expense of tonnage?

Mr. BLANCHARD. To a limited extent.

Mr. MARBLE. To a limited extent?

Mr. BLANCHARD. I stated that we made an average of about 10 miles an hour and that I thought that to be a good fair speed for an ordinary freight train.

Mr. MARBLE. How many roads in the United States load their freight trains to within 85 or 90 per cent of the capacity of the engine?

Mr. BLANCHARD. I could not tell you, sir.

Mr. MARBLE. Do you know whether any considerable number do?

Mr. BLANCHARD. I do not.

Mr. MARBLE. Do you know whether, in considering the number of tons placed upon the engine, the excess loading in the cars is taken into account by the operating officers?

Mr. BLANCHARD. It is not.

Mr. MARBLE. Do you know whether they depend upon the stenciled or marked capacity in determining that?

Mr. BLANCHARD. Upon the waybilled weights.

Mr. MARBLE. And grain is waybilled at the stenciled capacity of the car, is it not?

Mr. BLANCHARD. That weight is corrected, after received, by the State weights. I understand the grain is waybilled by the agent on the information given him by the shipper as to the number of bushels he has in the car, which is supposed to be the actual loading.

Mr. MARBLE. You do not know of your own knowledge whether the actual is the same as the stenciled capacity?

Mr. BLANCHARD. I think approximately grain is billed the actual weight, because I have had some tests made.

Mr. MARBLE. Do you know about the correction of weights according to the State weights?

Mr. BLANCHARD. I know they are corrected.

Mr. MARBLE. Are they generally raised, lowered, or left as they are?

Mr. BLANCHARD. I know they are both raised and lowered.

Mr. MARBLE. Both raised and lowered?

Mr. BLANCHARD. Yes, sir; but on the average I think they are approximately correct.

Mr. MARBLE. If you were made general manager and in charge of this road, so far as the portion of it under your charge is concerned, with power to expend more money than is being spent, would you be able to help the service to the public by spending more money?

Mr. BLANCHARD. I do not know as I could answer that question.

Mr. MARBLE. I wish you would try.

Mr. BLANCHARD. Will you ask it again, please?

Mr. MARBLE. Perhaps I can make it clearer. If you were in charge, with full power to expend money—responsible to yourself and with the idea of giving a better public service—could not you by spending more money give better service than is being given on your division?

Mr. BLANCHARD. To a limited extent. Perhaps I could not spend the amount I would like to. In other words, I could not secure the things I would like to in a short space of time.

Mr. MARBLE. Those things would be what?

Mr. BLANCHARD. Those things would be motive power, cars, and terminal facilities.

Mr. MARBLE. You say, then, you are short of all three?

Mr. BLANCHARD. To a certain extent.

Mr. MARBLE. So far as the public service is concerned?

Mr. BLANCHARD. During this period of three months of the year only.

Mr. MARBLE. Have you undertaken some reconstruction work recently in your yards?

Mr. BLANCHARD. At Duluth. Yes, sir; during the past summer.

Mr. MARBLE. When did you begin that work?

Mr. BLANCHARD. I think it was in June.

Mr. MARBLE. And what is it you are trying to accomplish there?

Mr. BLANCHARD. We hope to add about 40 per cent to the facilities of the yard, which we undertook to do this year, but could not complete on account of being unable to get the dredging completed.

Mr. MARBLE. Did you lose your contractor? Did some private firm hire the man away from you?

Mr. BLANCHARD. No, sir.

Mr. MARBLE. There was some piece of railroad work up there?

Mr. BLANCHARD. No, sir.

Mr. MARBLE. Not yours—I meant to say that the contractor who started that work left your employment and went into other employment and left you without a contractor.

Mr. BLANCHARD. I believe he did leave us for a short time.

Mr. MARBLE. And then he came back to you?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. For how long a time was he gone?

Mr. BLANCHARD. The work was in charge of the engineering department, and I could not have any definite knowledge; but I would say off-hand, for two or three weeks.

Mr. MARBLE. That made some delay?

Mr. BLANCHARD. Very much; yes, sir.

Mr. MARBLE. Have you torn up some track in the course of that work?

Mr. BLANCHARD. No, sir. We have rearranged certain tracks, but have not reduced the facilities.

Mr. MARBLE. Have you the same number of leads there in that yard that you had before this work began?

Mr. BLANCHARD. Practically so.

Mr. MARBLE. Practically so? Have you the same number?

Mr. BLANCHARD. Yes; I think we have the same number.

Mr. MARBLE. How many did you have before the work began—how many leads? Did you have three?

Mr. BLANCHARD. We had two at either end.

Mr. MARBLE. What is that?

Mr. BLANCHARD. We have two at either end.

Mr. MARBLE. How many have you now?

Mr. BLANCHARD. The same.

Mr. MARBLE. Then the statement that you had three leads, and about the 1st of September you tore up two of them and got them out of the way, so that you had only one, would be incorrect?

Mr. BLANCHARD. We were out of use on them during a part of September on account of rearranging the leads.

Mr. MARBLE. During a part of September?

Mr. BLANCHARD. Yes, sir; or a part of October.

Mr. MARBLE. Also a part of October?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. How much of September?

Mr. BLANCHARD. Perhaps ten days.

Mr. MARBLE. How much of October?

Mr. BLANCHARD. Perhaps a week.

Mr. MARBLE. Since then you had the same capacity in that terminal as you had before?

Mr. BLANCHARD. It is as large as we had before; yes, sir.

Mr. MARBLE. Did that loss of capacity during that ten days or two weeks help to create this congested condition and trouble that you experienced?

Mr. BLANCHARD. To a certain extent; yes, sir.

Mr. MARBLE. Are you familiar with shipments of coal from the docks?

Mr. BLANCHARD. Fairly so.

Mr. MARBLE. Do you know what proportion of coal shipped from those docks is being demanded and taken by your company?

Mr. BLANCHARD. Of all the docks at Duluth and Superior? What you might call the head of the Lakes?

Mr. MARBLE. I mean docks that you move cars from and set empties to, either directly or indirectly.

Mr. BLANCHARD. We supply cars to certain docks that are handled by other companies before they reach the docks.

Mr. MARBLE. Well, all cars you supply. What proportion of the coal that you take out is company coal, and what is private coal?

Mr. BLANCHARD. It varies considerably at certain times. There are times when it is perhaps 60 per cent for the company and 40 per cent private, and there are times when it is 40 per cent company and 60 per cent private.

Mr. MARBLE. And how is it running now—how has it been for the last five days?

Mr. BLANCHARD. About 60 per cent private commercial coal and about 40 per cent for the company, I would say.

Mr. MARBLE. Are you favoring the commercial coal?

Mr. BLANCHARD. All we can; yes, sir.

Mr. MARBLE. Trying to relieve the famine as much as possible?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Is your company short of coal at points west of you?

Mr. BLANCHARD. I have understood so.

Mr. MARBLE. You find they are short on company coal and you move it there for the company?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Do you have trouble in getting empties to furnish for the coal business?

Mr. BLANCHARD. Sufficient?

Mr. MARBLE. Do you have sufficient cars?

Mr. BLANCHARD. No; I would say we have trouble in getting sufficient cars.

Mr. MARBLE. Do the pay rolls for your division pass under your eye?

Mr. BLANCHARD. Not in detail.

Mr. MARBLE. But you have an understanding of how they are made up—that is part of your business?

Mr. BLANCHARD. Yes.

Mr. MARBLE. Are the wages made largely on a mileage basis, or are they on time?

Mr. BLANCHARD. Largely on mileage.

Mr. MARBLE. Do you mean largely that the train crews get through in ten hours or less?

Mr. BLANCHARD. Yes.

Mr. MARBLE. Largely?

Mr. BLANCHARD. Not ten hours or less, because the district is more than 100 miles long. I mean at the rate of 10 miles per hour is what they average.

Mr. MARBLE. Largely you keep within that?

Mr. BLANCHARD. We try to.

Mr. MARBLE. But in practice, do you?

Mr. BLANCHARD. We try to.

Mr. MARBLE. Have you succeeded?

Mr. BLANCHARD. Fairly so.

Mr. MARBLE. You know you try to do a good many things you don't quite succeed in doing?

Mr. BLANCHARD. Yes, sir.

Commissioner LANE. What is the distance from Duluth to Fargo?

Mr. BLANCHARD. From Duluth to Staples is 148 miles, and from Staples to Fargo is 108 miles.

Commissioner LANE. That would be a total of what?

Mr. BLANCHARD. Two hundred and fifty-six miles.

Commissioner LANE. Two hundred and fifty-six miles?

Mr. BLANCHARD. Yes, sir.

Commissioner LANE. How long does it take a train that goes at a rate of 10 miles an hour to travel from Fargo to Duluth?

Mr. BLANCHARD. Well, considering the time as 10 miles per hour, it would take twenty-five hours; but there is one district terminal where trains are stopped out and rearranged. For instance, a train from Fargo would contain freight for the Twin Cities and also freight for the head of the Lakes that has to be switched around.

Commissioner LANE. What is the average time it takes a freight train to travel from Fargo to Duluth?

Mr. BLANCHARD. I could not tell you what it is between Staples and Fargo, because that is beyond my district.

Commissioner LANE. You do not know, and there is no record which you keep by which you can ascertain what time it takes a train to go from Fargo to Duluth?

Mr. BLANCHARD. No, sir.

Commissioner LANE. None that you have?

Mr. BLANCHARD. No, sir.

Commissioner LANE. What time does it take to travel 150 miles on your division as trains are moving now, during the month of December, we will say?

Mr. BLANCHARD. From fifteen to eighteen hours.

Commissioner LANE. You heard a list of complaints read here this morning stating that the average cars were delayed for days, from twenty and clear up as high as fifty-four days?

Mr. BLANCHARD. Certain individual cars; yes, sir.

Commissioner LANE. Certain individual cars—you heard the statement, as I remember it, that there were a large number that took from twenty to twenty-five days? How do you explain that long time for the transportation?

Mr. BLANCHARD. Well, there are many reasons why certain cars may possibly get out of the regular channel, such as, occasionally, engine failures, being set out on the way, hot boxes, bad, order cars and various reasons why individual cars may get out of the regular channel.

Commissioner LANE. Do you think that—we will say on a run of 350 miles that the average should be twenty days?

Mr. BLANCHARD. The average?

Commissioner LANE. Yes.

Mr. BLANCHARD. I would not.

Commissioner LANE. What would you say would be a reasonable average?

Mr. BLANCHARD. Three hundred and fifty miles?

Commissioner LANE. Yes.

Mr. BLANCHARD. Ten to fifteen days.

Commissioner LANE. Ten to fifteen days?

Mr. BLANCHARD. Yes.

Commissioner LANE. Three hundred and fifty miles. With the cars traveling steadily, that would take about thirty-five hours, at 10 miles an hour?

Mr. BLANCHARD. Yes, sir.

Commissioner LANE. That would be a little less than a day and a half. Now, then, why should there be the difference between a day and a half and fifteen days in the transportation of those cars?

Mr. BLANCHARD. Well, there are certain cars that make it in much less than fifteen days, and certain others that are unavoidably delayed, as I have stated, and which would make the average about ten to fifteen days, as I stated.

Commissioner LANE. Yes, I know; but that would mean of course that a great many would have to take thirty or forty or fifty days in order to bring up such an average as that, if a day and a half traveling steadily was a reasonable time.

Mr. BLANCHARD. Well, as I stated before, those trains are made up of cars for different destinations, which have to be necessarily reswitched at district terminals.

Commissioner LANE. Now, take wheat that is raised out in Dakota; it goes in great part either to Duluth or Minneapolis, does it not?

Mr. BLANCHARD. It does.

Commissioner LANE. The train would be made up of cars for either one of those destinations, would it not?

Mr. BLANCHARD. Not wholly.

Commissioner LANE. Chiefly. The great volume of that business goes to those two places?

Mr. BLANCHARD. Yes, sir.

Commissioner LANE. Now, then, do you think that thirteen days and a half is an unreasonable length of time to allow switching at division points?

Mr. BLANCHARD. It would appear—yes, as an average. Of course you have taken the extreme outside—fifteen days. I said ten to fifteen days.

Commissioner LANE. Do you think thirteen and a half days might be allowed as a reasonable amount, a reasonable length of time?

Mr. BLANCHARD. A total length of time?

Commissioner LANE. A total length of time for switching and a travel of 350 miles?

Mr. BLANCHARD. Not for switching alone.

Commissioner LANE. What would you include in addition to switching, to explain the difference between fifteen days and a day and a half?

Mr. BLANCHARD. Well, I stated from ten to fifteen days. That would be an average of thirteen days.

Commissioner LANE. Reduce it, then, to the lowest figure—ten days. How do you make out the difference of eight and a half days?

Mr. BLANCHARD. Well, on account of certain congestion—the maximum amount of business we are required to handle during the three months in the year.

Commissioner LANE. You are preparing for those three months during the other nine months, are you not?

Mr. BLANCHARD. We are trying to; yes, sir.

Commissioner HARLAN. Mr. Blanchard, would ten days have been a fair average last year?

Mr. BLANCHARD. I think so.

Commissioner HARLAN. How about the year before—say from 1903?

Mr. BLANCHARD. Perhaps the year before a little less—in 1903; the business has been increasing rapidly. We are trying to increase the facilities to keep up with the times.

Commissioner HARLAN. How much less than 1903? Let us take 1904. Would ten days have been a fair average in 1904?

Mr. BLANCHARD. I should say during the three months of the year; yes, sir.

Commissioner HARLAN. And about that in 1903?

Mr. BLANCHARD. Yes, sir.

Commissioner HARLAN. Well, now, that is the period; that is the fourth summer in which that would have been a fair average. Now, what provision has the railroad made in order to get rid of that congestion in this length of time?

Mr. BLANCHARD. They have been securing additional power, additional equipment, and making additions to their terminal facilities, and I understand they are double tracking the road from Staples to Fargo. That is beyond my district.

Commissioner HARLAN. How far has that gone, that double tracking?

Mr. BLANCHARD. I could not tell you exactly.

Commissioner LANE. Mr. Blanchard, the coal moves largely from Duluth out to Dakota. That supplies about all of Dakota, does it not?

Mr. BLANCHARD. Yes, sir.

Commissioner LANE. What have you done—we understand from information we have here that there is a very serious coal shortage out there. Of course, we are solicitous that that should be remedied as soon as possible. Have any arrangements been made by the Northern Pacific Railroad by which coal shall be transported immediately to those people?

Mr. BLANCHARD. We are sending out the coal in preference to other freight.

Commissioner LANE. Since what time has that been your policy?

Mr. BLANCHARD. About two weeks.

Commissioner LANE. Were you notified prior to that time that there was any very great necessity for coal there?

Mr. BLANCHARD. No, sir.

Commissioner LANE. Do you know of the demands being made two months ago for cars to transport coal to points in western Minnesota and in Dakota, and their being unable to get those cars?

Mr. BLANCHARD. I think the orders were fairly well filled during the months of September and the first part of October for coal shipments.

Commissioner LANE. What do you take back in your empties? When you bring out wheat, carry wheat eastward to Duluth, what do you take back instead of coal?

Mr. BLANCHARD. We take coal and other commodities.

Commissioner LANE. Coal and other commodities. Do you know what percentage of coal you take?

Mr. BLANCHARD. Of the entire commodities?

Commissioner LANE. Yes.

Mr. BLANCHARD. I should say 75 per cent.

Commissioner LANE. That is a greater or a less percentage than you would take ordinarily at that time?

Mr. BLANCHARD. Greater.

Commissioner LANE. A greater percentage?

Mr. BLANCHARD. Yes, sir.

Commissioner LANE. Had you orders in for cars to carry coal from Duluth prior to that time?

Mr. BLANCHARD. Prior to what time?

Commissioner LANE. Prior to the time you mentioned when you carried 75 per cent?

Mr. BLANCHARD. Yes, sir. We have orders for cars for coal, you might say, all the fall, and in fact we have actually brought but few empties out of Duluth, which had been done in previous years.

Commissioner LANE. You have been carrying loaded cars westward as well as eastward?

Mr. BLANCHARD. Yes, sir.

Commissioner LANE. There has been no great volume of empty cars out of there westward into Minnesota and Dakota?

Mr. BLANCHARD. Not over my division.

Commissioner LANE. Not over your division?

Mr. BLANCHARD. No, sir.

Commissioner LANE. In your judgment, Mr. Blanchard. what is the reason for the coal shortage in the West?

Mr. BLANCHARD. Of course, there is the increase of settlement forcing an increase of consumption.

Commissioner LANE. Has the normal supply of coal been furnished to those people—that is, has there been as much coal forwarded as there was up to this time last year?

Mr. BLANCHARD. I think more.

Commissioner LANE. You think more?

Mr. BLANCHARD. I should say so.

Commissioner LANE. Can anyone get a car for coal to-day, at Duluth, if he wishes it to transport it up to Dakota?

Mr. BLANCHARD. Can anyone?

Commissioner LANE. I do not wish you to be technical about that, Mr. Blanchard. It is a matter of much public interest.

Mr. BLANCHARD. There is a difference between anyone and everyone.

Commissioner LANE. Can a respectable coal dealer or John Smith, in Fargo, N. Dak.—anyone who is financially responsible—get coal carried out in a car from Duluth and have it transported to him with reasonable speed to Dakota?

Mr. BLANCHARD. Yes, sir; as far as I know.

Commissioner LANE. Will you make the authoritative statement, Mr. Blanchard, that can be sent to these people in Dakota, and to the other people who are in distress at this time for lack of coal, that anyone who is financially responsible may secure coal and have it transported westward to them, and that there are cars to be had for that business?

Mr. BLANCHARD. I could not do that, because we do not sell the coal. The Northern Pacific does not own the coal.

Commissioner LANE. Will you provide coal cars in which coal m

Mr. BLANCHARD. I heard some of the testimony; yes, sir.

Mr. MARBLE. And you heard there were a good many complaints, and you got a letter from the board of trade relative to that matter?

Mr. BLANCHARD. I did.

Mr. MARBLE. Which you replied to?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. And you said that the elevators had not delayed you this year?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Have you had power enough there?

Mr. BLANCHARD. No; I have not.

Mr. MARBLE. Has that been one of the reasons for this congestion?

Mr. BLANCHARD. One of them.

Mr. MARBLE. And one of them, you say, was that the terminal was not large enough?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Have you had any trouble over the fact that trains coming in were too large? If trains came in more frequently and with fewer cars in the trains, would that help you any?

Mr. BLANCHARD. It would not.

Mr. MARBLE. The trains do not congest you when they come in there?

Mr. BLANCHARD. No, sir.

Mr. MARBLE. Is it your observation that the trains are too heavily loaded?

Mr. BLANCHARD. No, sir.

Mr. MARBLE. What percentage of their capacity is put on these engines, do you know?

Mr. BLANCHARD. I should say 85 to 90 per cent of their capacity.

Mr. MARBLE. Take an engine loaded to 85 or 90 per cent of its capacity, and if it gets behind time, has it reserve power to make up time?

Mr. BLANCHARD. It has reserve power sufficient to make good freight time.

Mr. MARBLE. What is "good freight time?"

Mr. BLANCHARD. I should say—you mean including unavoidable delays, meeting trains, taking coal and water, etc.; the average over a district?

Mr. MARBLE. You might get in so many unavoidable delays that there would be nothing very illuminating in your answer. In the first place, if the train is not delayed by meeting other trains—if it is simply stopped to get water and coal—what would you say ought to be its time for going over a division of 100 miles?

Mr. BLANCHARD. They should make about 10 miles per hour on an average.

Mr. MARBLE. Ten miles per hour on an average?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. What time have your trains made during the last three months.

Mr. BLANCHARD. From 8 to 10 miles per hour.

Mr. MARBLE. How long has it taken to cover the division?

Mr. BLANCHARD. The district—from fourteen to sixteen or eighteen hours, occasionally.

Mr. MARBLE. What is the length of that division?

Mr. BLANCHARD. The district from Duluth to Staples is 148 miles and from Duluth to St. Paul 152 miles.

Mr. MARBLE. And that division has been covered in this time, you say?

Mr. BLANCHARD. Approximately.

Mr. MARBLE. Have you had unavoidable delays—very many of them—that have increased that time?

Mr. BLANCHARD. At terminals only.

Mr. MARBLE. At terminals?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. At what terminals?

Mr. BLANCHARD. At Superior and what we call South Superior.

Mr. MARBLE. You mean delays in getting started out?

Mr. BLANCHARD. Delays in getting started out.

Mr. MARBLE. And delays in getting in?

Mr. BLANCHARD. And delays—a few delays—in getting in.

Mr. MARBLE. What caused the delays in starting out?

Mr. BLANCHARD. Well, unforeseen obstacles in the way of making up trains. For instance, the yardmaster would notify the dispatcher that he could have a train made up at 2 p. m., and on account of certain congestions that he could not foresee, and other accidents, perhaps, the train would be delayed an hour and a half or two hours in getting started from Duluth. Our outbound trains all run through Superior, and we have also—just to the same extent there are some delays in getting through the Superior yards.

Mr. MARBLE. One or two hours in Duluth and a similar delay in Superior, for instance?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Of course the engine and cars are out of use to that extent. Can you not avoid that?

Mr. BLANCHARD. Not without increasing the facilities, which we hope to do, and which we intended to do this season.

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Mr. BLANCHARD. I stated that we made an average of about 10 miles an hour and that I thought that to be a good fair speed for an ordinary freight train.

Mr. MARBLE. How many roads in the United States load their freight trains to within 85 or 90 per cent of the capacity of the engine?

Mr. BLANCHARD. I could not tell you, sir.

Mr. MARBLE. Do you know whether any considerable number do?

Mr. BLANCHARD. I do not.

Mr. MARBLE. Do you know whether, in considering the number of tons placed upon the engine, the excess loading in the cars is taken into account by the operating officers?

Mr. BLANCHARD. It is not.

Mr. MARBLE. Do you know whether they depend upon the stenciled or marked capacity in determining that?

Mr. BLANCHARD. Upon the waybilled weights.

Mr. MARBLE. And grain is waybilled at the stenciled capacity of the car, is it not?

Mr. BLANCHARD. That weight is corrected, after received, by the State weights. I understand the grain is waybilled by the agent on the information given him by the shipper as to the number of bushels he has in the car, which is supposed to be the actual loading.

Mr. MARBLE. You do not know of your own knowledge whether the actual is the same as the stenciled capacity?

Mr. BLANCHARD. I think approximately grain is billed the actual weight, because I have had some tests made.

Mr. MARBLE. Do you know about the correction of weights according to the State weights?

Mr. BLANCHARD. I know they are corrected.

Mr. MARBLE. Are they generally raised, lowered, or left as they are?

Mr. BLANCHARD. I know they are both raised and lowered.

Mr. MARBLE. Both raised and lowered?

Mr. BLANCHARD. Yes, sir; but on the average I think they are approximately correct.

Mr. MARBLE. If you were made general manager and in charge of this road, so far as the portion of it under your charge is concerned, with power to expend more money than is being spent, would you be able to help the service to the public by spending more money?

Mr. BLANCHARD. I do not know as I could answer that question.

Mr. MARBLE. I wish you would try.

Mr. BLANCHARD. Will you ask it again, please?

Mr. MARBLE. Perhaps I can make it clearer. If you were in charge, with full power to expend money—responsible to yourself and with the idea of giving a better public service—could not you by spending more money give better service than is being given on your division?

Mr. BLANCHARD. To a limited extent. Perhaps I could not spend the amount I would like to. In other words, I could not secure the things I would like to in a short space of time.

Mr. MARBLE. Those things would be what?

Mr. BLANCHARD. Those things would be motive power, cars, and terminal facilities.

Mr. MARBLE. You say, then, you are short of all three?

Mr. BLANCHARD. To a certain extent.

Mr. MARBLE. So far as the public service is concerned?

Mr. BLANCHARD. During this period of three months of the year only.

Mr. MARBLE. Have you undertaken some reconstruction work recently in your yards?

Mr. BLANCHARD. At Duluth. Yes, sir; during the past summer.

Mr. MARBLE. When did you begin that work?

Mr. BLANCHARD. I think it was in June.

Mr. MARBLE. And what is it you are trying to accomplish there?

Mr. BLANCHARD. We hope to add about 40 per cent to the facilities of the yard, which we undertook to do this year, but could not complete on account of being unable to get the dredging completed.

Mr. MARBLE. Did you lose your contractor? Did some private firm hire the man away from you?

Mr. BUNN. Have you a larger map showing the Northern Pacific properties in Duluth?

Mr. BLANCHARD (producing map). The properties, yes, sir; but it does not show the tracks.

Mr. BUNN. Will you tell the Commissioners and describe this situation and tell them what the practical difficulties are in handling freight in Duluth and what trouble there has been as to the inbound trains arriving on what is known as the third district?

Mr. BLANCHARD. The inbound trains arrive on what is known as the third district, or what was known as the old St. Paul and Duluth Railroad in Carlton, a distance of 20 miles. That is the rearranging yard, and the cars are set there and taken from there to the different elevators, merchants, docks, commission houses, and various industries, extending through westerly from West Duluth to Fourth avenue east, a distance approximately 8 miles—taken on the switching track.

Mr. BUNN. Have you facilities to take care of the business of the Soo Road and the Milwaukee and St. Paul at this location?

Mr. BLANCHARD. Yes, sir; in addition to that and the D., M. and N. Railway and the Duluth and Iron Range.

Mr. BUNN. Those companies have not provided their own facilities and terminals at Duluth?

Mr. BLANCHARD. They have not.

Mr. BUNN. Now, you say, you have not sent any empties westward from Duluth this year?

Mr. BLANCHARD. Practically none.

Mr. BUNN. What was the practice in prior years?

Mr. BLANCHARD. In prior years we sent from 25 to 30 per cent of the total number of cars hauled into Duluth west empty.

Commissioner LANE. Is there a real car shortage on those lines?

Mr. BLANCHARD. Yes, sir; there is an actual car shortage all the time.

Commissioner LANE. You do not know the conditions that obtain on other divisions as to the distribution of cars?

Mr. BLANCHARD. I do not.

Mr. BUNN. Now, Mr. Blanchard, you have loads, apparently, for all cars brought in with wheat.

Mr. BLANCHARD. Yes, sir.

Mr. BUNN. Loads to go west.

Mr. BLANCHARD. Yes, sir. Now——

Mr. BUNN. Has that added to the congestion and the difficulty of doing the work in Duluth; and if so, tell these gentlemen how that is?

Mr. BLANCHARD. It has, very materially. If a car arrives containing grain, after it is set out at Rice's Point yard it is set to the elevators, which was formerly switched out empty and made into a train and sent west, whereas, instead of sending it west empty now we are compelled to switch it to some coal dock, making that one more movement. Then we take it out again, making another movement, which requires an especial amount of switching to be done.

Mr. BUNN. How many cars have you had in Duluth to load at one time? What is the largest number?

Mr. BLANCHARD. The largest number at Duluth or the head of the Lakes?

Mr. BUNN. The head of the Lakes.

Mr. BLANCHARD. About seven hundred.

Mr. BUNN. You must have understood me wrong, because that is not what you stated to the Commissioners.

Mr. BLANCHARD. Loaded cars for the west.

Mr. BUNN. Loaded cars in the yard.

Mr. BLANCHARD. In the yard. I thought you meant westbound. Oh, yes; we have had about 3,500 in the yard.

Mr. BUNN. How many are there now, roughly speaking?

Mr. BLANCHARD. Roughly speaking, there are fifteen or eighteen hundred.

Mr. BUNN. What is the normal number?

Mr. BLANCHARD. The normal number is about that.

Mr. BUNN. Then you would say that this extreme congestion, which was congested more this fall, is gradually coming to the normal condition?

Mr. BLANCHARD. Providing we can get the cars, we will have no more trouble or congestion.

Mr. BUNN. How many cars have you been sending west from Duluth during the last two or three weeks of coal?

Mr. BLANCHARD. All points; you mean the Twin Cities and the Northwest?

Mr. BUNN. Everywhere.

Mr. BLANCHARD. About 350, I should say.

Mr. BUNN. About 350 per day?

Mr. BLANCHARD. Yes, sir.

Mr. BUNN. That is going on?

Mr. BLANCHARD. Yes, sir; as far as I can state.

Mr. BUNN. How many are sent west now?

Mr. BLANCHARD. We are sending about 250 to 300.

Mr. BUNN. Two hundred and fifty to 300?

Mr. BLANCHARD. Yes, sir.

Commissioner LANE. How many cars do you put into a train?

Mr. BLANCHARD. It varies according to the size of the engine. On westbound trains from 25 to 38.

Commissioner LANE. What weight?

Mr. BLANCHARD. What tonnage?

Commissioner LANE. Yes, sir.

Mr. BLANCHARD. The tonnage of the cars or the tonnage of the entire train?

Commissioner LANE. Of the entire train.

Mr. BLANCHARD. Fourteen hundred to 1,800 tons.

Commissioner LANE. How does the westbound differ from the eastbound?

Mr. BLANCHARD. I would say in favor of the eastbound haul about 400 tons. On the westbound the first 37 miles out of Duluth, either westbound toward the Dakotas or southbound toward St. Paul, there is a 1 per cent grade which requires two engines to haul what one engine can take into Duluth. Beyond the top of the hill it is all right.

Commissioner LANE. Mr. Blanchard, the very fact that you have been sending these loads west, does that add to the delay in bringing in wheat and reduce the quantity of wheat brought in during the period of one month or two months or three months?

Mr. BLANCHARD. It does.

Commissioner LANE. That is all.

Commissioner HARLAN. What other commodities are you sending west now besides coal?

Mr. BLANCHARD. Lumber, merchandise, coke, wood, forest products, and, in fact, almost every commodity.

Commissioner HARLAN. That is rather new traffic, is it not, this year? You sent more empties west last year, I understood.

Mr. BLANCHARD. Yes, sir.

Commissioner HARLAN. And those commodities are new traffic for this year?

Mr. BLANCHARD. No, sir; it is just the increase.

Commissioner HARLAN. Just the increase?

Mr. BLANCHARD. The natural increase.

Mr. MARBLE. In switching passenger trains in your yard, are you now or have you been in such a state that your freight switching had to be put out of the way for the passenger trains to make room for them?

Mr. BLANCHARD. No, sir.

Mr. MARBLE. Nothing of that sort? Do the passenger trains turn on the same tracks where you switch freight? Does not that interfere?

Mr. BLANCHARD. No more than in previous years. The same conditions exist now that have always existed.

Mr. MARBLE. Has that condition that exists now—that turning of passenger trains on the same tracks that you switch freight cars on—always existed?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. And does that delay you some?

Mr. BLANCHARD. For a few moments only.

Mr. MARBLE. You have to clear the way for the passenger trains?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. You say you send out 250 to 300 cars of coal. What proportion of that comes to the Twin Cities?

Mr. BLANCHARD. About 125 cars, I should say.

Mr. MARBLE. One hundred and twenty-five out of 250?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. About half?

Mr. BLANCHARD. Nearly half. When I say the Twin Cities I mean points beyond the Twin Cities, of course, on the Milwaukee road and the Soo Line road.

Mr. MARBLE. Moving down south?

Mr. BLANCHARD. Generally south.

Mr. MARBLE. Into South Dakota?

Mr. BLANCHARD. I presume so. I do not know the exact destination of the same—where they take it.

Mr. MARBLE. And then the balance—the other half—about what per cent would you say was company coal going up there?

Mr. BLANCHARD. About 40 per cent.

Mr. MARBLE. About 40 per cent company coal?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Is that 40 per cent coming this way company coal?

Mr. BLANCHARD. No, sir.

Mr. MARBLE. I understand you to say that about 40 per cent of that coal you ship is company coal?

Mr. BLANCHARD. I am not shipping any company coal to the Twin Cities, because we are getting Illinois coal.

Mr. MARBLE. That is to say, that of the coal that goes west the Northern Pacific takes about 40 per cent?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. Or do they take about 40 per cent of the total shipments out of Duluth?

Mr. BLANCHARD. They take about 40 per cent of the total shipments. I will say, 40 per cent of the total shipments out of Duluth.

Mr. MARBLE. So they ship 250 cars and 100 are their own company coal?

Mr. BLANCHARD. Yes, sir.

Mr. MARBLE. One hundred and twenty-five comes to the Twin Cities?

Mr. BLANCHARD. Yes.

Mr. MARBLE. So you have for the west about 25 cars?

Mr. BLANCHARD. Seventy-five.

Mr. MARBLE. Let us see. One hundred cars company coal, and half comes to the Twin Cities, making 225 cars, so that leaves you about 25 cars for the general public in North Dakota and out along the line—is that right?

Mr. BLANCHARD. I think there is more than that

Mr. MARBLE. More than 25 cars?

Mr. BLANCHARD. Oh, yes.

Mr. MARBLE. How much more, do you think?

Mr. BLANCHARD. I think there are 60 to 75 cars per day going west of commercial coal to North Dakota.

Mr. MARBLE. As far as you know, your road has not been confiscating any coal that is shipped?

Mr. BLANCHARD. Not that I know of.

Mr. MARBLE. That is all.

Commissioner LANE. That is all, Mr. Blanchard.

(The maps referred to in this witness' testimony are received in evidence and marked "Exhibits Nos. 1, 2 and 3" to Mr. Blanchard's testimony.)

D. M. PHILBIN, called as a witness, was duly sworn and testified as follows:

Mr. MARBLE. You reside in Superior?

Mr. PHILBIN. Yes, sir.

Mr. MARBLE. And have you brought with you a large number of train sheets?

Mr. PHILBIN. I have.

Mr. MARBLE. Will you get from the room where they are some of those sheets, so that I can examine you concerning them?

Mr. PHILBIN. Yes, sir.

(The witness proceeds to procure sheets requested by counsel.)

Mr. MARBLE. Have you the sheets for October 28?

Mr. PHILBIN. October 28?

Mr. MARBLE. Yes, sir. Now, ignoring the passenger trains and the time freight, how many trains of grain were moved on that day over your division?

Mr. PHILBIN. I will see. (Examines papers in his possession.)

Commissioner LANE. What is your position?

Mr. PHILBIN. Assistant general superintendent in charge of what is known as the Lake district.

Commissioner LANE. Of what road?
Mr. PHILBIN. The Great Northern.
Mr. MARBLE. And your duties are what?
Mr. PHILBIN. General supervision of the work of the district—train service as well as maintenance.
Mr. MARBLE. Are you familiar with the movements of trains, and do you direct them through your subordinates?
Mr. PHILBIN. Yes, sir.
Mr. MARBLE. How many trains of grain did you move that day into Duluth?
Mr. PHILBIN. Seven.
Mr. MARBLE. From where?
Mr. PHILBIN. Cass Lake.
Mr. MARBLE. What is the distance from Duluth?
Mr. PHILBIN. One hundred and fifty-six miles.
Mr. MARBLE. One hundred and fifty-six miles on your division? Give us the running time of each of those trains for that day for that 156 miles.
Commissioner LANE. One hundred and fifty-six miles from Cass Lake to Duluth?
Mr. PHILBIN. To Superior, to be correct about it. The average running time of those trains all during the month of October, to my exact knowledge, was fourteen hours and twenty minutes.
Mr. MARBLE. Better than 10 miles an hour for that division?
Mr. PHILBIN. Yes, sir.
Mr. MARBLE. Can you give us each of those seven trains?
Mr. PHILBIN. It would take half an hour to do it.
Commissioner LANE. Let him take them out, and call another witness, and let him figure that out and recall him.
Mr. MARBLE. Very well. Please figure out the running time of those seven trains.
Mr. PHILBIN. The average?
Mr. MARBLE. Not the average, but state each one separately.
Mr. PHILBIN. All right.
The examination of Mr. Philbin was suspended for the present.

E. E. HEINER, called as a witness, was duly sworn and testified as follows:
Mr. MARBLE. You reside in St. Paul, do you not?
Mr. HEINER. Yes, sir.
Mr. MARBLE. What is your business?
Mr. HEINER. Sales agent of the St. Paul & Western Coal Company.
Mr. MARBLE. Is that a very large concern?
Mr. HEINER. Moderately so; yes, sir.
Mr. MARBLE. It is one of the largest coal shipping concerns of this section of the country.
Mr. HEINER. One of the largest; yes, sir.
Mr. MARBLE. Approximately how many cars of coal do you handle per year?
Mr. HEINER. Well, that is a pretty hard question to answer.
Mr. MARBLE. When you can get the cars?
Mr. HEINER. Ordinarily we would handle about 200 to 250 per day, if we could get the cars.
Mr. MARBLE. Have you been hampered by lack of transportation facilities?

Mr. HEINER. We have.
Mr. MARBLE. Very much?
Mr. HEINER. Yes, sir.
Mr. MARBLE. How far behind are you in your orders now?
Mr. HEINER. We are about 1,300.
Mr. MARBLE. Thirteen hundred cars?
Mr. HEINER. Yes, sir.
Mr. MARBLE. How long have you had orders in for those cars with the railroads?
Mr. HEINER. Our oldest orders date back to the 15th of November.
Mr. MARBLE. All your orders up to the 15th of November are filled?
Mr. HEINER. Yes, sir.
Mr. MARBLE. Do you know, as far as your customers are concerned, up to what point their orders are filled; as to whether that coal has all arrived?
Mr. HEINER. I don't understand the question.
Mr. MARBLE. Taking the arrival of coal at the consuming point, do you know how far behind you are?
Mr. HEINER. No; I could not answer that.
Mr. MARBLE. Have you had complaints from consumers as to the slow movement of cars?
Mr. HEINER. We have.
Mr. MARBLE. Have you had much complaint?
Mr. HEINER. A great many.
Mr. MARBLE. Have you any of those letters with you?
Mr. HEINER. I have not.
Mr. MARBLE. Are they on file in your office?
Mr. HEINER. I could dig them up.
Mr. MARBLE. Would you do that and send them in to-morrow?
Mr. HEINER. I should be pleased to.
Mr. MARBLE. Give us a general statement as to that slow movement, as to how long it has continued and how slow it is.
Mr. HEINER. Well, of course, we only have specific cases, you know, where they are slow. A man will order his coal, and it will be slow on the road several days, and then he will start a tracer after it. Of course, as a general proposition, we do not know how long the coal is delayed. We simply know where a man makes a statement to us asking us to hurry certain cars.
Mr. MARBLE. You don't keep track of it unless you get a complaint from a customer?
Mr. HEINER. No; we would not have occasion to.
Mr. MARBLE. Take your customers up through the Northwest—are they well supplied with coal now?
Mr. HEINER. There is a great deal of complaint in the Northwest of shortage of fuel.
Mr. MARBLE. Where does your coal come from?
Mr. HEINER. Duluth, Superior, and Milwaukee.
Mr. MARBLE. And to what portion of the country do you distribute from here?
Mr. HEINER. We distribute from Duluth and Superior to the Northwest—North Dakota, part of South Dakota, and a portion of Minnesota.
Mr. MARBLE. Do you distribute from here at all?

Mr. HEINER. No, sir.
Mr. MARBLE. But simply have an office here?
Mr. HEINER. Yes, sir; that is all.
Mr. MARBLE. Over what road do you ship principally?
Mr. HEINER. The Great Northern.
Mr. MARBLE. Do you have demands made upon you from day to day by the fuel agent at Duluth for a certain percentage of cars which are loaded out?
Mr. HEINER. We load a certain percentage of railroad fuel, but the demands are not made on me. That naturally would come under another department.
Mr. MARBLE. Do you know what percentage of coal that you load goes to the country?
Mr. HEINER. I could not say.
Mr. MARBLE. What percentage?
Mr. HEINER. I could not say.
Mr. MARBLE. Have you refused any orders because of lack of transportation facilities?
Mr. HEINER. We have.
Mr. MARBLE. How many?
Mr. HEINER. I could not say how many, but I remember——
Mr. MARBLE. You would be further behind in your orders than you are if you had refused none?
Mr. HEINER. We would be much more behind.
Mr. MARBLE. If you had not refused to book orders that came?
Mr. HEINER. Yes, sir.
Mr. MARBLE. How many orders have you refused—how many cars?
Mr. HEINER. I could not answer that—probably five or six hundred.
Commissioner LANE. Five or six hundred cars or orders?
Mr. HEINER. Five or six hundred cars. Generally speaking, an order usually covers one car, possibly two.
Mr. MARBLE. This is a letter written by you?
Mr. HEINER. Yes.
Mr. MARBLE. Signed by you?
Mr. HEINER. Yes.
Commissioner LANE. How long does it take you to get a car of coal from Duluth or Superior, to Fargo, N. Dak.?
Mr. HEINER. Well, I could not say as to that. I judge it takes four or five days—not to exceed that.
Commissioner LANE. Do you know anything about the movement of wheat eastward?
Mr. HEINER. No, sir.
Commissioner LANE. Can you give a reason why it should take ten days to ship wheat from Fargo to Duluth, and five days to ship coal from Duluth to Fargo?
Mr. HEINER. I could not. I was only giving the five approximately.
Commissioner LANE. That is not a matter of actual knowledge?
Mr. HEINER. No.
Mr. MARBLE. This letter has been identified and I would like to have it in the record.
I will ask you if this is a fair sample of the letters you have written refusing these orders? You say you have refused five or six hundred?
Mr. HEINER. Yes.

Mr. MARBLE. And you say you are still how many cars behind?
Mr. HEINER. Thirteen hundred—in that neighborhood.
Mr. MARBLE. Including all orders that have come to you?
Mr. HEINER. Eighteen to nineteen hundred orders.

ST. PAUL AND WESTERN COAL COMPANY,
St. Paul, Minn., December 10, 1906.

Messrs. GARTLAND & DUNLEVY,
Yale, S. Dak.

GENTLEMEN: Your order of the 7th for two cars of Hocking Lump via Great Northern at hand. We are simply buried with orders via the Great Northern, and we are practically receiving no cars via this line. Under the circumstances we would not care to entertain the order.

Yours, very truly, E. E. HEINER, *N. W. S. A.*

Mr. MARBLE. This order was for two cars, but you say most of them were for one?
Mr. HEINER. As a general thing.
Commissioner LANE. Can that point be reached over the Northern Pacific?
Mr. HEINER. I should think that is a local point—Yale, S. Dak.
Commissioner LANE. Do you know whether the conditions are different at the competitive points, where the Great Northern and Northern Pacific cross each other, from those conditions which obtain the points which are not competitive?
Mr. HEINER. I could not say.
Mr. MARBLE. Have any of these orders been refused because the country dealer did not belong to some association or other?
Mr. HEINER. No, sir.
Mr. MARBLE. You accept orders from anyone who chooses to send them in?
Mr. HEINER. If they have got the money, we will accept their orders.
Mr. MARBLE. So far as the cars can be procured, you will accept orders whether they belong to any association or not?
Mr. HEINER. The matter of association does not cut any figure, provided he is a dealer and has money.
Mr. MARBLE. Suppose the citizens of these towns should get together and send you an order?
Mr. HEINER. We protect the dealer.
Mr. MARBLE. And you protect the regular dealer in the town?
Mr. HEINER. The regular dealer.
Mr. MARBLE. If it is an irregular dealer you would not sell him coal?
Mr. HEINER. No, sir.
Mr. MARBLE. Perhaps that policy may explain some of this condition in the country.
Mr. HEINER. I do not see how it could necessarily.
Commissioner LANE. At times such as this you would not follow such a policy as that?
Mr. HEINER. No, sir.
Commissioner LANE. You know there is suffering in the country?
Mr. HEINER. Yes, sir.
Commissioner LANE. And if an order was sent to you, you would fill it?

Mr. HEINER. If they were suffering in a certain town we would fill it, provided the man has the money.

Mr. MARBLE. You would have to be satisfied that he was one of the regular dealers, or else that there was suffering, before you would fill the order, even if the money accompanied it?

Mr. HEINER. Yes, sir.

Mr. MARBLE. Why do you do that?

Mr. HEINER. That is the same with reference to any section of the country. There are a certain number of dealers and they have a certain amount of money in the business; they make themselves regular dealers—they invest six or seven hundred dollars in their sheds, scales, and one thing and another.

Mr. MARBLE. And you feel a sort of duty to protect them?

Mr. HEINER. Yes.

Mr. MARBLE. Then they protect you in some way?

Mr. HEINER. Not that I am aware of.

Mr. MARBLE. But you say you have refused five or six hundred orders, simply because you could not get cars.

Mr. HEINER. From regular dealers; yes, sir.

Mr. MARBLE. I asked you what portion of the coal that is shipped from Duluth is taken by the railroad companies?

Mr. HEINER. I could not answer that.

Mr. MARBLE. How about your docks at Duluth—are they so arranged that you could load more cars if you could get them?

Mr. HEINER. Yes, sir.

Mr. MARBLE. You have that capacity?

Mr. HEINER. Yes, sir.

Mr. MARBLE. How many cars a day could you load at Duluth?

Mr. HEINER. Oh, I figure that we could load 250.

Mr. MARBLE. Where?

Mr. HEINER. Both at Duluth and Superior. Scarcity of laborers have hampered dock operations to a great extent.

Mr. MARBLE. Labor is scarce?

Mr. HEINER. Labor is scarce.

Mr. MARBLE. Well, you could load 250 cars if you could get them?

Mr. HEINER. Yes, sir.

Mr. MARBLE. That is all.

A. O. DIESON, called as a witness, being duly sworn, was examined, and testified as follows:

Mr. MARBLE. Mr. Dieson, you reside in St. Paul, Minn.?

Mr. DIESON. Yes, sir.

Mr. MARBLE. And you are with the M. A. Hanna Coal Company?

Mr. DIESON. Yes, sir.

Mr. MARBLE. In what capacity?

Mr. DIESON. Chief clerk.

Mr. MARBLE. Are you familiar with the business and operations of the M. A. Hanna Coal Company?

Mr. DIESON. To a certain extent; yes, sir.

Mr. MARBLE. You have a dock at Duluth?

Mr. DIESON. At Superior.

Mr. MARBLE. At Superior?

Mr. DIESON. Yes, sir.

Mr. MARBLE. And the coal that you ship is brought by boat to Superior and shipped by rail to the west and south?

Mr. DIESON. Yes, sir.
Mr. MARBLE. Over what roads do you ship, principally?
Mr. DIESON. Great Northern, Northern Pacific, and Omaha.
Mr. MARBLE. What is your average business per year?
Mr. DIESON. Well, the company was only recently organized, so I am not in the position to state.
Mr. MARBLE. How much business per day is in sight this year, if you could fill your orders?
Mr. DIESON. Well, I would say 100 to 125 cars a day.
Mr. MARBLE. And how much are you shipping?
Mr. DIESON. From 45 to 75.
Mr. MARBLE. What would you say—do you average nearer 75 than 45?
Mr. DIESON. Around 60 cars.
Mr. MARBLE. In what period of time are you speaking of now?
Mr. DIESON. Well, I am speaking of the last three months.
Mr. MARBLE. Are you shipping more or less a day now than during November, say?
Mr. DIESON. Well, a little less, I guess.
Mr. MARBLE. A little less, and why is that; have you not more orders?
Mr. DIESON. We have got plenty of orders; yes.
Mr. MARBLE. Getting fewer cars?
Mr. DIESON. Well, we do not get the cars we want.
Mr. MARBLE. You say you are shipping less now than you did in November; why less? You can not get as many cars as you did in November?
Mr. DIESON. We are not supplied with the necessary cars to fill the orders.
Mr. MARBLE. Does that limit your shipments?
Mr. DIESON. Yes, sir.
Mr. MARBLE. Then, you are not getting as many cars as you did in November per day?
Mr. DIESON. I can not say exactly. I do not watch this closely.
Mr. MARBLE. You are shipping less than in November—you are certain of that?
Mr. DIESON. Well, probably, about the same or a little less.
Mr. MARBLE. About how many cars are you short on your orders?
Mr. DIESON. Between 900 and 1,000.
Mr. MARBLE. And have you refused any orders because of car shortage?
Mr. DIESON. Yes, sir; we have.
Mr. MARBLE. About how many?
Mr. DIESON. I could not say how many orders we have refused. I have not kept any track of it.
Mr. MARBLE. Can you estimate it approximately?
Mr. DIESON. Well, no; I could not say. Do not handle that entirely; just handle a part of it.
Mr. MARBLE. Some hundred; or a good many?
Mr. DIESON. A good many orders.
Mr. MARBLE. How long have you been behind in your orders for this thousand cars?
Mr. DIESON. Oh, about the 1st of November or a little before that.
Mr. MARBLE. About a thousand cars?

Mr. DIESON. The latter part of October or the first part of November.

Mr. MARBLE. When did you begin to be behind at all in your orders?

Mr. DIESON. The latter part of October.

Mr. MARBLE. You kept up to your orders up to the latter part of October?

Mr. DIESON. Pretty well.

Mr. MARBLE. Well, you mean by that that you did not keep up to your orders?

Mr. DIESON. We did not keep right up; no.

Mr. MARBLE. How far behind were you the first part of October?

Mr. DIESON. I could not say; I have not looked it up, so I could not answer offhand. I could tell by the reports in the office.

Mr. MARBLE. What part of these 60 cars a day that you are shipping now goes to the railroad company?

Mr. DIESON. I could not say as to that.

Mr. MARBLE. What part comes to the Twin Cities?

Mr. DIESON. I could not tell you that.

Mr. MARBLE. Will you look up those figures and let us have them to-morrow morning—what part of the coal you are shipping goes to the railroad company and what part goes South, and down through this city?

Mr. DIESON. Yes, sir.

Mr. MARBLE. Have you had complaints of late in regard to the movement of coal you ship?

Mr. DIESON. We have had some; yes.

Mr. MARBLE. Letters?

Mr. DIESON. Yes, sir.

Mr. MARBLE. Have you those letters?

Mr. DIESON. No, sir; I have not them with me.

Mr. MARBLE. Are they in your office?

Mr. DIESON. Yes, sir.

Mr. MARBLE. Can you find those as well?

Mr. DIESON. Yes.

Mr. MARBLE. And bring them with this other information. You had a good many of those complaints in proportion to your business?

Mr. DIESON. We get some occasionally. A man's shipments are a little slow and he writes in about it; that is the only way we have of knowing that shipment is delayed, by a man wanting to trace the cars.

Mr. MARBLE. I wish you would make a note, Mr. Dieson, or we will have one made for you of these figures, so you will be sure to bring us what we want. You have that in mind, have you? We want to know what proportion of your shipments through November, and what per day, if you can give it to us from day to day, were company coal?

Mr. DIESON. From what time?

Mr. MARBLE. From the 1st of November to date—that were for the railroad company and what proportion came to the Twin Cities?

Mr. DIESON. And what proportion came to the Twin Cities?

Mr. MARBLE. Did any go anywhere else than down here? Then take it over the Northern Pacific and Great Northern and Soo roads—did you ship to any other direction?

Mr. DIESON. We ship, of course—we ship out on the Milwaukee line.

Mr. MARBLE. I want the proportion going on those three—the Northern Pacific, the Great Northern, and the Soo?

Mr. DIESON. You mean this railroad fuel question?

Mr. MARBLE. No; I want to know what proportion of coal went in that direction, and I want to know what proportion of your shipments were railroad fuel, and also the correspondence—the letters complaining of slowness of movement.

Mr. DIESON. You want the proportion of shipments, too—company stations, commercial business, on each line?

Mr. MARBLE. I want to know what proportion of your business was commercial business and what proportion was railroad business, and I want to know what proportion of your total business went to the Northwest, and also what proportion of that was railroad business, and what proportion was commercial business, divided in that way.

Mr. DIESON. Yes, sir.

Mr. MARBLE. Please keep each of the three railroads separate, as suggested by me—the Soo, the Great Northern, and the Northern Pacific—as to the coal taken.

Mr. DIESON. Yes, sir.

Mr. MARBLE. You heard the testimony given this morning as to selling regular dealers only. Is that the policy of your company?

Mr. DIESON. We try to protect the regular dealer as far as possible.

Mr. MARBLE. And if an irregular dealer or a committee of citizens send in for coal you decline to fill the order?

Mr. DIESON. We hold that if a man has his money invested in equipment he is entitled to protection, as he carries his stock the year around to supply the trade, and they need it.

Mr. MARBLE. And you decline to fill the orders from anybody else?

Mr. DIESON. It makes too many accounts on the books.

Mr. MARBLE. Would you decline to fill the order?

Mr. DIESON. If a man was a dealer we would fill the order.

Mr. MARBLE. If he was a regular dealer, you would fill the order?

Mr. DIESON. Yes, sir.

Mr. MARBLE. And if he were not a regular dealer?

Mr. DIESON. We do not cater to that trade.

Mr. MARBLE. Can you say "no" in response to that question? Would you fill the order from one who was not a regular dealer?

Mr. DIESON. No.

Mr. MARBLE. That is all.

Commissioner LANE. All the coal companies have the same agreement or understanding in respect to filling orders for regular dealers?

Mr. DIESON. I do not know.

Commissioner LANE. You do not know whether any other coal companies use the same policy?

Mr. DIESON. No; not that I know of.

Commissioner LANE. You do not know whether they have the same policy or not?

Mr. DIESON. No; I do not. I am not very familiar with the others.

Commissioner LANE. There is no such thing as a coal dealers' association?

Mr. DIESON. Well, I do not know about that.
Mr. MARBLE. You do not determine this policy for yourself?
Mr. DIESON. No, sir; I do not. I am just an employee of the company.
Mr. MARBLE. I understand that.
Mr. BUNN. Have you ever seen your dock at Superior?
Mr. DIESON. Yes; I have seen it.
Mr. BUNN. Do you know its capacity—its loading capacity of your own knowledge?
Mr. DIESON. No; I do not.
Mr. BUNN. You do not know that it could load 125 tons a day?
Mr. DIESON. I know that is what I have heard, is all. I have heard the statement made that the dock would handle that many cars.
Mr. BUNN. How much coal have you got up there on your wharf?
Mr. DIESON. I do not handle that part of it.
Mr. BUNN. You know nothing about that?
Mr. DIESON. No.
Mr. BUNN. You talk about loading 60 cars a day—2,400 tons a day. How long would your stock last if you could do that? Do you know?
Mr. DIESON. I am not in possession of the figures stating the tonnage on hand.
Mr. MARBLE. Now, with those figures I asked for, please include figures as to the stock of coal on hand at Superior—the number of tons.
Mr. DIESON. I guess that could be furnished all right.
Commissioner LANE. That is all.
(The witness was excused.)

C. P. WHITE, called as a witness, being duly sworn, was examined and testified as follows:
Mr. MARBLE. Mr. White, you reside at Duluth?
Mr. WHITE. At Superior.
Mr. MARBLE. And you are in the coal business?
Mr. WHITE. Yes, sir.
Mr. MARBLE. Of what company?
Mr. WHITE. Pittsburg Coal Company.
Mr. MARBLE. In what capacity?
Mr. WHITE. As general manager.
Mr. MARBLE. You have docks at Superior?
Mr. WHITE. Yes, sir.
Mr. MARBLE. What is the capacity of those docks?
Mr. WHITE. Storage capacity?
Mr. MARBLE. No; the loading capacity. How many cars a day can you load?
Mr. WHITE. Well, we can load five or six hundred cars.
Mr. MARBLE. From five to six hundred?
Mr. WHITE. Yes, sir.
Mr. MARBLE. You have plenty of coal there?
Mr. WHITE. Yes, sir.
Mr. MARBLE. A large supply?
Mr. WHITE. Yes.
Mr. MARBLE. Approximately, how many tons?
Mr. WHITE. We have about 400,000 tons, in round figures, now.

Mr. MARBLE. Are you up with your orders?
Mr. WHITE. No.
Mr. MARBLE. How far behind are you?
Mr. WHITE. About 1,200 cars at the present time.
Mr. MARBLE. How long have you been behind?
Mr. WHITE. Oh, it has run that way for six weeks or two months.
Mr. MARBLE. You have been behind for six weeks or two months?
Mr. WHITE. Yes, sir.
Mr. MARBLE. How far behind, in days, would you say that you are?
Mr. WHITE. Well, I should say that we could catch up with these orders in about a week, if we were to run exclusively on these.
Mr. MARBLE. Without getting in new ones?
Mr. WHITE. Yes.
Mr. MARBLE. How many cars a day are you shipping?
Mr. WHITE. Oh, from 250 to 300.
Mr. MARBLE. You are shipping from Duluth from 250 to 300?
Mr. WHITE. Duluth and Superior; yes, sir.
Mr. MARBLE. What proportion of the coal shipped by you is for the railroad use?
Mr. WHITE. Something over half; I should say, possibly, 55 per cent.
Mr. MARBLE. And of the remaining 45 per cent, how much goes to the Twin Cities?
Mr. WHITE. That would be simply an estimate.
Mr. MARBLE. Well, as near as you can make it on an estimate?
Mr. WHITE. The statement that I drew off here, of what we were behind on Saturday, the 1,200 cars, did not include railroad coal. It was commercial coal; and of this, about 700 cars were for the company, about 200 for the Twin Cities, and the balance for towns on the range back of Duluth.
Mr. MARBLE. May I see the figures?
Mr. WHITE. Yes, sir.
Mr. MARBLE. These figures which you give me are a list of the unfilled orders calling for immediate shipment, December 15, 1906?
Mr. WHITE. Yes, sir.
Mr. MARBLE. And you have segregated these according to the railroad from which the orders came?
Mr. WHITE. According to the railroads and according to the territory.
Mr. MARBLE. This does not include any orders from the railroads?
Mr. WHITE. No, sir.
Mr. MARBLE. And of your shipments, you have said you have given 55 per cent to the railroads?
Mr. WHITE. Yes; I think that is about that.
Mr. MARBLE. Shall I read this memorandum?

Great Northern, direct points	147
Great Northern, via Soo Line (140½–70–30)	100
	247

What does that mean?
Mr. WHITE. It means the shipments for points on our line, and that is about the proportion we would naturally ship via the Great Northern—Great Northern and the Soo Line, both taking the Soo Line coal.

Commissioner LANE. Of what road?
Mr. PHILBIN. The Great Northern.
Mr. MARBLE. And your duties are what?
Mr. PHILBIN. General supervision of the work of the district—train service as well as maintenance.
Mr. MARBLE. Are you familiar with the movements of trains, and do you direct them through your subordinates?
Mr. PHILBIN. Yes, sir.
Mr. MARBLE. How many trains of grain did you move that day into Duluth?
Mr. PHILBIN. Seven.
Mr. MARBLE. From where?
Mr. PHILBIN. Cass Lake.
Mr. MARBLE. What is the distance from Duluth?
Mr. PHILBIN. One hundred and fifty-six miles.
Mr. MARBLE. One hundred and fifty-six miles on your division? Give us the running time of each of those trains for that day for that 156 miles.
Commissioner LANE. One hundred and fifty-six miles from Cass Lake to Duluth?
Mr. PHILBIN. To Superior, to be correct about it. The average running time of those trains all during the month of October, to my exact knowledge, was fourteen hours and twenty minutes.
Mr. MARBLE. Better than 10 miles an hour for that division?
Mr. PHILBIN. Yes, sir.
Mr. MARBLE. Can you give us each of those seven trains?
Mr. PHILBIN. It would take half an hour to do it.
Commissioner LANE. Let him take them out, and call another witness, and let him figure that out and recall him.
Mr. MARBLE. Very well. Please figure out the running time of those seven trains.
Mr. PHILBIN. The average?
Mr. MARBLE. Not the average, but state each one separately.
Mr. PHILBIN. All right.
The examination of Mr. Philbin was suspended for the present.

E. E. HEINER, called as a witness, was duly sworn and testified as follows:
Mr. MARBLE. You reside in St. Paul, do you not?
Mr. HEINER. Yes, sir.
Mr. MARBLE. What is your business?
Mr. HEINER. Sales agent of the St. Paul & Western Coal Company.
Mr. MARBLE. Is that a very large concern?
Mr. HEINER. Moderately so; yes, sir.
Mr. MARBLE. It is one of the largest coal shipping concerns of this section of the country.
Mr. HEINER. One of the largest; yes, sir.
Mr. MARBLE. Approximately how many cars of coal do you handle per year?
Mr. HEINER. Well, that is a pretty hard question to answer.
Mr. MARBLE. When you can get the cars?
Mr. HEINER. Ordinarily we would handle about 200 to 250 per day, if we could get the cars.
Mr. MARBLE. Have you been hampered by lack of transportation facilities?

Mr. HEINER. We have.
Mr. MARBLE. Very much?
Mr. HEINER. Yes, sir.
Mr. MARBLE. How far behind are you in your orders now?
Mr. HEINER. We are about 1,300.
Mr. MARBLE. Thirteen hundred cars?
Mr. HEINER. Yes, sir.
Mr. MARBLE. How long have you had orders in for those cars with the railroads?
Mr. HEINER. Our oldest orders date back to the 15th of November.
Mr. MARBLE. All your orders up to the 15th of November are filled?
Mr. HEINER. Yes, sir.
Mr. MARBLE. Do you know, as far as your customers are concerned, up to what point their orders are filled; as to whether that coal has all arrived?
Mr. HEINER. I don't understand the question.
Mr. MARBLE. Taking the arrival of coal at the consuming point, do you know how far behind you are?
Mr. HEINER. No; I could not answer that.
Mr. MARBLE. Have you had complaints from consumers as to the slow movement of cars?
Mr. HEINER. We have.
Mr. MARBLE. Have you had much complaint?
Mr. HEINER. A great many.
Mr. MARBLE. Have you any of those letters with you?
Mr. HEINER. I have not.
Mr. MARBLE. Are they on file in your office?
Mr. HEINER. I could dig them up.
Mr. MARBLE. Would you do that and send them in to-morrow?
Mr. HEINER. I should be pleased to.
Mr. MARBLE. Give us a general statement as to that slow movement, as to how long it has continued and how slow it is.
Mr. HEINER. Well, of course, we only have specific cases, you know, where they are slow. A man will order his coal, and it will be slow on the road several days, and then he will start a tracer after it. Of course, as a general proposition, we do not know how long the coal is delayed. We simply know where a man makes a statement to us asking us to hurry certain cars.
Mr. MARBLE. You don't keep track of it unless you get a complaint from a customer?
Mr. HEINER. No; we would not have occasion to.
Mr. MARBLE. Take your customers up through the Northwest—are they well supplied with coal now?
Mr. HEINER. There is a great deal of complaint in the Northwest of shortage of fuel.
Mr. MARBLE. Where does your coal come from?
Mr. HEINER. Duluth, Superior, and Milwaukee.
Mr. MARBLE. And to what portion of the country do you distribute from here?
Mr. HEINER. We distribute from Duluth and Superior to the Northwest—North Dakota, part of South Dakota, and a portion of Minnesota.
Mr. MARBLE. Do you distribute from here at all?

Mr. MARBLE. Two hundred and forty-seven, then, on the Great Northern line—Great Northern via Chicago, Rock Island and Pacific—that should be reversed and leaving Duluth by the Great Northern, and so with the next line above?

Mr. WHITE. Yes.

Mr. MARBLE. Then it should read:

Great Northern, direct point, 147; Soo Line, via Great Northern, 100; Chicago, Rock Island and Pacific, Great Northern, and Minneapolis and St. Louis, and Chicago, Burlington and Quincy, Great Northern, 9; total, 256; Twin Cities (140½–70), 70; total, 326; Northern Pacific, direct points, 45; Northern Pacific via Soo (140½–70–200), 270; Northern Pacific, Chicago, Milwaukee and St. Paul, 90; Chicago, Rock Island, and Pacific, Minneapolis and St. Louis, and Chicago, Burlington and Quincy, 9; total 414; Twin Cities, 70; total, 484; Omaha, 30; Twin Cities, 70; total,100; Duluth and Iron Range, 44; Duluth, Missabe and Northern, 150; total, 1,104.

Mr. MARBLE. Have you refused orders because of the lack of cars?

Mr. WHITE. We are not soliciting orders. We are taking in what orders reach us through the mail, but we are not soliciting orders at the present time.

Mr. MARBLE. You say you are not soliciting—that is, because of lack of cars?

Mr. WHITE. Yes, sir.

Mr. MARBLE. But you have refused orders—are all orders received by you figured in this statement?

Mr. WHITE. Yes, sir.

Mr. MARBLE. Do you find that loaded cars are switched away from your docks promptly after being loaded?

Mr. WHITE. They are taken out of the dock promptly.

Mr. MARBLE. Do they leave the city promptly.

Mr. WHITE. Not in all cases.

Mr. MARBLE. Do they now leave the city promptly; at the present time?

Mr. WHITE. I would say not in all cases again.

Mr. MARBLE. What percentage of the cases do they not leave promptly?

Mr. WHITE. I can not say as to that. Our coal is sold at a price on board of cars at the docks, and our care of it ceases when it is delivered to the railroad at the docks. We do not follow it through to destination, in other words.

Mr. MARBLE. Is it switched away from the dock promptly?

Mr. WHITE. Yes.

Mr. MARBLE. There are delays in some cases before leaving Duluth?

Mr. WHITE. There are some delays before they get out of town with it.

Mr. MARBLE. How much delay—what extent of time?

Mr. WHITE. We do not keep track of it. I have just known instances.

Mr. MARBLE. Have your correspondents complained of slow movement of coal in the country?

Mr. WHITE. Yes.

Mr. MARBLE. What slowness of movement does that correspondence show?

Mr. WHITE. I do not follow that through. I see very little of it myself. It comes into our sales office, but we do get requests to trace cars through that have been on the way from several days to several weeks

Mr. MARBLE. More in the present year than formerly?
Mr. WHITE. I have not personally seen any more; no.
Mr. MARBLE. You have that every year?
Mr. WHITE. Yes, sir; to a certain extent.
Mr. MARBLE. You would not say it is any worse this year than any other years?
Mr. WHITE. I think it is, as an expression of opinion.
Mr. MARBLE. You have not examined all of the correspondence and therefore can not testify?
Mr. WHITE. No.
Mr. MARBLE. That is all.
Mr. BUNN. Do you hold a large stock of coal at the head of the Lake during July and August?
Mr. WHITE. Yes, sir.
Mr. BUNN. Do you not find it pretty hard to induce people to buy and ship coal during those months?
Mr. WHITE. Very hard.
Mr. BUNN. You make an effort to do that, do you not?
Mr. WHITE. Yes, sir.
Mr. BUNN. You write letters and advise people in the country to get their coal in July and August, do you not?
Mr. WHITE. Yes, sir; and send our traveling men out in the endeavor to get them to take it.
Mr. MARBLE. But they do very little of it?
Mr. WHITE. Very little.
Mr. MARBLE. Do you know that the railroad companies do the same thing and that they did last summer?
Mr. WHITE. I believe they did. I have been told that they did.
Mr. BUNN. You said that you was some thousand cars short on your orders—on your cars that you have not received. Do you know anything about how short the railroad companies are on their coal?
Mr. WHITE. Why, we have an unlimited order to load for them. I do not know how far they are behind.
Mr. BUNN. Is it not true that they are as far behind as the public is?
Mr. WHITE. I think they probably are.
Commissioner LANE. Why is that? Is it because they have not anticipated their orders in July and August?
Mr. BUNN. I should be glad to have that answered by our general manager, because we have not been able to take care of it ourselves.
Mr. MARBLE. You understood the railroad company could have carried coal to private consumers in July and August?
Mr. WHITE. The question was, as to my understanding, as to whether they could have carried it in July and August?
Mr. MARBLE. Yes.
Mr. WHITE. I think they could.
Mr. MARBLE. Did you try to persuade them to take railroad coal out and store it for railroad use when cold weather should come?
Mr. WHITE. We did not urge the matter of storing it. We tried all through the season to get them to take it.
Mr. MARBLE. They followed the same policy as the country dealers did, did they?
Mr. WHITE. Well, I should say—yes.
Commissioner LANE. That is all.
Mr. MARBLE. That is all.

Commissioner LANE. The witness is excused.
(Thereupon the witness was excused.)

E. N. SAUNDERS, called as a witness, being duly sworn, was examined and testified as follows:

Mr. MARBLE. Mr. Saunders, where do you reside?
Mr. SAUNDERS. St. Paul.
Mr. MARBLE. And what is your business?
Mr. SAUNDERS. I am president of the Northwestern Fuel Company, a coal corporation—coal distributors.
Mr. MARBLE. A large concern?
Mr. SAUNDERS. Pretty good size.
Mr. MARBLE. You have docks at Duluth?
Mr. SAUNDERS. Duluth and Superior.
Mr. MARBLE. What is the loading capacity of those docks?
Mr. WHITE. In point of tons?
Mr. MARBLE. Well, cars per day?
Mr. SAUNDERS. Well, 350 to 400 cars.
Mr. MARBLE. How many cars are you shipping at the present time?
Mr. SAUNDERS. Well, running from 200 to 250.
Mr. MARBLE. Is it on account of shortage of cars that you do not ship more?
Mr. SAUNDERS. Short and irregular in their receipt. We can not load our capacity if we get cars in the middle of the afternoon. It is like operating a coal mine, you have not the cars all day so that you can work; you can not work up to the capacity, but we are averaging about 250 cars a day.
Mr. MARBLE. If the cars came to you earlier in the day and you had a steadier supply——
Mr. SAUNDERS. We could run up to 400.
Mr. MARBLE. Are you behind in your orders?
Mr. SAUNDERS. Yes, sir; to some extent.
Mr. MARBLE. How far?
Mr. SAUNDERS. Well, in point of time, I think—it is irregular. We commenced to get "buried," as we say, about the 1st of October and about the middle of November we desisted soliciting new business and called the men in off of the road. We are getting plenty of business as fast as we can get it loaded without soliciting.
Mr. MARBLE. Is the business that comes to you limited on account of shipping capacity?
Mr. SAUNDERS. We have not taken in any by mail or anywise since the 15th of the month. We are trying to get the earlier obligations out of the way.
Mr. MARBLE. About how many cars behind are you?
Mr. SAUNDERS. Well, at the head of Lake Superior and Milwaukee, about 3,000.
Mr. MARBLE. Are you behind in Milwaukee, also?
Mr. SAUNDERS. Yes, sir.
Mr. MARBLE. How many cars are you behind in Superior and at Duluth?
Mr. SAUNDERS. I think it is about 2,000 or 2,200 there.
Mr. MARBLE. And the most recent order booked, you would say, was when?
Mr. SAUNDERS. About the 15th of last month.
Mr. MARBLE. About the 15th of last month?

Mr. SAUNDERS. Yes, sir.

Mr. MARBLE. And you have returned the orders that came to you since then?

Mr. SAUNDERS. We have declined to enter them

Mr. MARBLE. What volume of orders have come to you since the 15th of October?

Mr. SAUNDERS. I could not answer that, personally. The sales department—the sales agent—is just pursuing that policy as far as they can without seriously inconveniencing anybody.

Mr. MARBLE. Could you estimate the amount of these orders?

Mr. SAUNDERS. The whole situation in the last thirty days has been tending to duplicate business. For instance, we have been booking orders—the same man that bought coal from us has gone and ordered coal from eight or ten coal companies in competition with us, and we have had fictitious orders piled up. I suppose a large number of orders we have on file now would be fictitious.

Mr. MARBLE. By "fictitious" you mean duplicate?

Mr. SAUNDERS. Duplicate. I think the bulk of the trade in the country recently have been placing orders for their wants with three, four, or a half dozen fellows, some of them, at the same time

Mr. MARBLE. Have you had correspondence complaining of the slow movement of cars?

Mr. SAUNDERS. I have not directly had any myself. There has been the usual amount of that. We have that every year.

Mr. MARBLE. Have you had any more this year than usual?

Mr. SAUNDERS. No more this year than usual. Once in a while a car gets out of line and is unusually delayed. There has been very little serious complaint on the score of anyone respecting coal after it is once on the way—no more than is usual.

Mr. MARBLE. What proportion of the coal which you are loading is for railroad use?

Mr. SAUNDERS. About 25 per cent; not more than that.

Mr. MARBLE. And what proportion of it comes this way?

Mr. SAUNDERS. We are not in the retail business in St. Paul and Minneapolis, and we do not accept orders in that business at all. We just try to keep these yards supplied. In the aggregate month's business from the head of the lake, about 25 per cent would come into St. Paul and Minneapolis.

Mr. MARBLE. And how much to the northwest and west?

Mr. SAUNDERS. That is what we call line trade. It does not all go out to what would be known as west from Duluth. It comes from Southwest, down on the Milwaukee and St. Paul and Omaha railroad system that reaches out into Nebraska.

Mr. MARBLE. Could you tell us what per cent of your shipments come to the territory reached by the Great Northern or Northern Pacific and the balance.

Mr. SAUNDERS. What we call line business, I should say about 33 per cent—30 per cent of it.

Mr. MARBLE. Of the 250 cars you are shipping, possibly 30 or 35 per cent go into that territory?

Mr. SAUNDERS. Yes.

Mr. MARBLE. We read a letter here a while ago from Gartland & Dunlevy, Yale, S. Dak. You ship to them—this is one of your cars, is it not—represents the car of coal shipped by your company?

Mr. SAUNDERS. Yes; that is one of our cars.

Mr. MARBLE. That is a notification such as you send to the country dealer when you ship coal to the country?

Mr. SAUNDERS. Car number and weight; yes.

Mr. MARBLE. This card, which is addressed to Gartland & Dunlevy, is one of the regular cards of the Northwestern Fuel Company, and comes to me in a letter from this firm, and if I may read it here, and ask some questions that relate to it, we will get it into the record. The letter is as follows:

DULUTH, MINN., *November 13, 1906.*

GARTLAND & DUNLEVY, *Yale, S. Dak.*

We ship to you this day car noted below.

Invoice will be sent to you from the general office.

Car initial, G. N. No., 35172. Gross weight, 4,736. Actual tare, 35,000. Actual net weight, 82,360. Kind of coal, Hok Lp. Marked weight of car, 351.

Yours truly,

NORTHWESTERN FUEL CO.

All settlements will be based on above actual net weights and subject to our conditions of sale and shipment.

Commissioner LANE. What date does the letter bear?

Mr. MARBLE. The letter is dated November 13.

Commissioner LANE. This car—would you say that this car was shipped on November 13?

Mr. SAUNDERS. Yes, sir.

Commissioner LANE. How many miles is it from Duluth to Yale, S. Dak?

Mr. SAUNDERS. About 450 miles. I would say that incidents like that sometimes happen by the car breaking down or getting in a wreck. I know that cars like that—and I would not be surprised if when that is run down it is shown that the car had been in a wreck. It generally takes a month to get it rounded up, when something of that kind happens.

Mr. MARBLE. How long since they complained to you that they had no cars?

Mr. SAUNDERS. I do not personally have charge of that correspondence, and could not say. This is the first I have heard of that myself. I have a general sales agent that handles all that correspondence, which is very voluminous. We have some three thousand or four thousand accounts on our books.

Mr. MARBLE. You do not think there is any complaint to be made against the railroad company at all?

Mr. SAUNDERS. I do not think but what they are all doing the best they can.

Mr. MARBLE. And you think the best they can is good enough?

Mr. SAUNDERS. No; I think if they had better facilities in the three months in the fall that they could serve the public a little better, but my observation of their efforts to handle this business efficiently leads me to think that they are doing so as fast as they can. They are doing the best they can with what they have to do with, and as fast as they can they are bettering it, and they show uniform disposition to our company to keep up that programme.

Mr. MARBLE. Your criticism, if you made any at all, would not be of the methods, but of the facilities?

Mr. SAUNDERS. Lack of facilities. The business seems to have grown in certain places the facilities; for instance, at the head of

Lake Superior. The coal business is increasing very rapidly there—at the rate of 10 to 15 per cent a year. It has gone up from 2,500,000 to over 5,000,000 tons in the last six or seven or eight years, and it is still rapidly increasing. The increase in a large number of craft on the lakes is making it easier and cheaper to get coal there, and there are new firms starting in there every year to enlarge those facilities and to take advantage of the market to be reached from there, and that condition of affairs, coupled with the enlargement that the railroads have made in the east of their facilities for getting coal to the lake, has got a very active competition in the business. People are reaching out in all directions in the west to build up the coal business. I do not think the railroad facilities at Superior have kept up to this, but I have their assurances that it is coming pretty near up with it.

Mr. MARBLE. Are you shipping more fuel or less than last year from Superior?

Mr. SAUNDERS. Up to the 1st of December our business ran just about the same. Since that time we have fallen off, as compared with last September, about 50,000 tons.

Mr. MARBLE. Fallen off since the 1st?

Mr. SAUNDERS. About 50,000 tons.

Mr. MARBLE. Is it your opinion that there is more shortage of coal in the country this year than last?

Mr. SAUNDERS. Well, I do not think there is very much more shortage, but it is not as well distributed—the coal is not as well distributed—and it is very poor in some places that are a little harder up than usual.

Mr. MARBLE. In some places there is more distress?

Mr. SAUNDERS. And some places they are better off. There is, of course, a great variety of opinion in the country. These dealers that handle the coal in the interior—we do not retail in the interior or carry any coal except in St. Paul and Minneapolis, beyond our regular yards—and the dealers in the country bought their coal this year as beforehandedly as has been their custom. We shipped a good deal of coal in June, July, and August to interior points. There is a great deal of our anthracite tonnage goes out in those months and is distributed to the people. The bituminous tonnage is later in moving, and the storage facilities on the lines of all the railroads in the Dakotas, as well as in Minnesota, are somewhat limited for stocks, and heretofore, with the exception of a slight inconvenience, things have moved along pretty good. This is the first year there has been a howl that anybody is liable to "freeze to death." I have been in the business thirty-six years. There has been a little inconvenience here and there, but it has always been easily remedied by a little extra effort on the part of the shippers or the railroad people to accommodate those points.

Mr. MARBLE. You think this howl, as you call it, is unwarranted?

Mr. SAUNDERS. Well, I would not say it is unwarranted, because the people do not like to face the prospects of being out of coal, and I "howl" for them.

Commissioner LANE. Do you own any Great Northern stock?

Mr. SAUNDERS. No, sir.

Mr. MARBLE. Are you interested in railway stocks?

Mr. SAUNDERS. No, sir.

Mr. MARBLE. Directly or indirectly?

Mr. SAUNDERS. No, sir.

Mr. MARBLE. You heard the testimony concerning selling to association dealers only—is that true of your company?

Mr. SAUNDERS. We sell any trade as dealers. Our business is wholly confined to regular dealers, except to consumers who buy at wholesale, manufacturers, gas companies, mills, and all people that are not engaged in distributing coal at retail we sell to direct; but it would be very bad policy and it would injure the prospects of getting coal into the western country if the wholesaler were to promiscuously sell or ship a single carload of coal to the consumer. If we were to make a practice of going to Jamestown or any other western town and go around and solicit a part of a carload from one man and a part of a carload from another and ship that carload to one designated consignee, we would kill the retail dealer there, and the result would be that at this time of the year we would have no coal at any place.

Mr. MARBLE. Why do you restrict your business to regular dealers?

Mr. SAUNDERS. If we did not do it to that extent, it would necessitate our charging higher prices. We could not conduct our business and do a retail business over the territory that we can do a wholesale business in. I think that is manifest.

Mr. MARBLE. Why do you not sell to irregular dealers if they have the money to pay for the coal?

Mr. SAUNDERS. Because they are general consumers. What we call an irregular dealer is a consumer nine times out of ten, and if his neighbor has a coal yard in his town and trying to make a few dollars in handling coal and justify himself in handling coal there, this fellow does not like to see his neighbor make a few dollars and wants the coal. And they are generally the richest men in the small town. Nine times out of ten it will be the banker or the richest merchant who wants to beat the poor fellow who wants to run a coal shed.

Mr. MARBLE. Do you sell coal to the farmers' elevators?

Mr. SAUNDERS. We sell coal to the farmers' elevators in all directions where they have established a coal retailing business. We do not consider farmers' elevators as irregular dealers if they go into the coal business.

Mr. MARBLE. That is all.

Mr. BUNN. Mr. Saunders, you say that the facilities at Duluth and Superior are limited. You have coal-mining interests down in West Virginia and Ohio, have you not?

Mr. SAUNDERS. Yes, sir.

Mr. BUNN. Quite an extensive one, and you have been shipping from that country up there for a great many years?

Mr. SAUNDERS. Ever since we commenced to use coal.

Mr. BUNN. Do you think their facilities are any shorter up here than they are down there?

Mr. SAUNDERS. No, sir. We have been trying the last five years to get our coal to Lake Erie both from West Virginia, Ohio, and Pennsylvania points, and the greatest difficulty that we have encountered in that country in the past years has been our inability to get coal moved to Lake Erie in sufficient quantities during the open season of navigation to enable us to get our stock. This year the eastern roads are doing better. They are gradually getting on top of their

job, and we have got what we consider stocks of coal at the head of Lake Superior to take care of our regular trade.

Mr. MARBLE. Just one question. I have another one of these letters sent to me. I want to read just a line to Mr. Saunders. This is from the Taft Elevator Company, Hillsboro, N. Dak.

DECEMBER 15, 1906.

In regard to coal shortage, we can also say our order was in since July for coal to fill our sheds, and it did not come. Finally, we sent a man to find out why and were flatly refused by two shippers. We do not belong to the coal dealers' association, but finally got a shipment, which we sell at their prices.

Would you say that your company was not one of the two or three that were referred to?

Mr. SAUNDERS. I will not undertake to answer anything in reference to that; but I can find out for you. Our Mr. H. E. Smith, who is the Northwestern sales agent of the company, could testify as to that. I never heard of that concern myself, personally.

Mr. MARBLE. They unfortunately did not send the names of the companies refusing them.

(Witness was excused.)

D. M. PHILBIN, recalled.

Mr. MARBLE. What was the date concerning which I asked you for the running time?

Mr. PHILBIN. Twenty-seventh and 28th. I took the 25th, 26th, 27th, and 28th.

Mr. MARBLE. Now, on the 28th you ran seven trains?

Mr. PHILBIN. On the 27th we ran seven trains.

Mr. MARBLE. Can you give us the running time of each of those trains?

Mr. PHILBIN. Fourteen hours and thirty minutes; seventeen hours and thirty minutes; sixteen hours and fifteen minutes; seven hours and forty minutes; twelve hours and forty-five minutes; sixteen hours and fifty minutes.

Mr. MARBLE. What was the seven hours—was that a fast freight?

Mr. PHILBIN. It was a train that did not have full tonnage.

Mr. MARBLE. A light train?

Mr. PHILBIN. A light train; yes, sir.

Mr. MARBLE. And you took out some other days as well?

Mr. PHILBIN. I give the 26th.

Mr. MARBLE. How many trains on that day?

Mr. PHILBIN. Four.

Mr. MARBLE. What was the time?

Mr. PHILBIN. Fifteen hours and fifteen minutes for the two of them; seventeen hours for a third; eighteen hours and ten minutes for the fourth.

Commissioner LANE. What were the two stations?

Mr. PHILBIN. Cass Lake and Superior.

Commissioner LANE. And the distance?

Mr. PHILBIN. About 160 miles.

Mr. MARBLE. Beginning with the time the train started and ending when it reached Superior?

Mr. PHILBIN. Yes, sir; the time they registered out of Cass Lake until they registered into Superior.

Commissioner LANE. Have you subpœnaed the dispatcher from Cass Lake west?

Mr. MARBLE. Is there a dispatcher at Cass Lake?

Mr. PHILBIN. There is a dispatcher at Crookston; dispatching for the next division west is done at Crookston.

Commissioner LANE. Perhaps you can trace that up and find the time that is actually made. I would like to see how ten days is absorbed in two days' journey.

Mr. MARBLE. It will not show delays after the train is ordered and before it gets power, for instance, ready to start out. The registering out is done nearly the instant the train leaves the station, is it not?

Mr. PHILBIN. Yes, sir.

Mr. MARBLE. So that delays in getting power would not be shown there?

Mr. PHILBIN. No, sir.

Mr. MARBLE. And whether there were delays at the terminal after registering in, in getting the trains set to the place where the cars are to go—that would not be shown there?

Mr. PHILBIN. Unloading?

Mr. MARBLE. Yes.

Mr. PHILBIN. The train sheets simply show the train after it has arrived at Superior and the conductor has registered in there, then the register on that sheet—then the car ticket becomes a yard record.

Mr. MARBLE. What record have you that will show the train movement of a train over two or three divisions? By putting the sheets of two divisions together?

Mr. PHILBIN. Yes, sir; but that does not show the individual car.

Mr. MARBLE. It shows the train?

Mr. PHILBIN. It shows the train, but it is a train, for instance, that bears the number of the engine that hauls it. An extra hauled by engine No. 1510, known as extra 1510, and on the other division it would be another engine, and might be known as extra No. 1540, but you could not trace the cars that way.

Mr. MARBLE. Grand Forks is on your road, is it not?

Mr. PHILBIN. Not on my division.

Mr. MARBLE. But on your road?

Mr. PHILBIN. Yes, sir.

Mr. MARBLE. And so is Minot?

Mr. PHILBIN. Yes, sir.

Mr. MARBLE. How far from Duluth to Minot?

Mr. PHILBIN. That I could not tell you without a time card.

Mr. MARBLE. Approximately, do you know how far it is from Grand Forks?

Mr. PHILBIN. Yes; it is about 325 or 330 miles.

Mr. MARBLE. What do you consider a fair time for a train of dead freight to make from Grand Forks to Superior—that you would be contented with as an operating railroad official?

Mr. PHILBIN. Well, by dead freight you mean grain?

Mr. MARBLE. Yes; a train load of grain, for instance.

Mr. PHILBIN. About three days to three and one-half days. I would be satisfied with that.

Mr. MARBLE. What do you actually accomplish? Do you know?

Mr. PHILBIN. About four days and a half.

Mr. MARBLE. You actually accomplish about four days and a half?
Mr. PHILBIN. Yes, sir; on the average.
Mr. MARBLE. Have you during this crop season moved trains in four and a half days?
Mr. PHILBIN. I think we have; yes, sir.
Mr. MARBLE. From farther west from that has there been more delay?
Mr. PHILBIN. That I am not familiar with—with that district—so that I can not answer that question.
Mr. MARBLE. Take the next division west of Grand Forks.
Mr. PHILBIN. I do not know.
Mr. MARBLE. Are you familiar with the tonnage that is put on these trains now?
Mr. PHILBIN. In my district?
Mr. MARBLE. Yes.
Mr. PHILBIN. Yes, sir.
Mr. MARBLE. How long have you been in your present position?
Mr. PHILBIN. I have been in my present position about four years—with the Great Northern Company about six or seven years.
Mr. MARBLE. Have you been familiar with the tonnage placed upon engines all the time you have been with the company?
Mr. PHILBIN. Yes, sir.
Mr. MARBLE. Are the engines more heavily loaded now than they were six years ago?
Mr. PHILBIN. They are not loaded to any greater percentage of their hauling capacity. They haul heavier loads, by reason of improved grades that they work on. The grades have been so improved that the same engines can haul a bigger load.
Mr. MARBLE. Do trains make better or poorer time than they did six years ago?
Mr. PHILBIN. I think they make poorer time than they did six years ago.
Mr. MARBLE. And to what do you attribute that?
Mr. PHILBIN. To the increased number of trains moving.
Mr. MARBLE. Is not attributable to the tonnage?
Mr. PHILBIN. No; I think that we used to load our engines just the same then as we do now—the same class of engines.
Mr. MARBLE. I have been handed a memorandum taken from the sheet left by you. Looking at the tonnage of the trains, here is train No. 1143, on November 8, with 73 loads. Is that an extraordinary load?
Mr. PHILBIN. Well, that is out of Cass Lake.
Mr. MARBLE. Out of Cass Lake to Superior.
Mr. PHILBIN. Seventy-three loads—there seems to have been a good many of them small-capacity cars.
Mr. MARBLE. This note says that the tonnage was 3,416 tons.
Mr. PHILBIN. That is quite possible.
Mr. MARBLE. Would that be an extraordinary load?
Mr. PHILBIN. It would be a big load.
Mr. MARBLE. Any danger of breaking apart?
Mr. PHILBIN. Yes; there would be some danger of the draft rigging being moved out of some of the smaller or older cars; but I have known engineers to bring such a train through without any trouble.

Mr. MARBLE. Would you consider it impracticable to put cars of 40,000 pounds capacity in such a train?

Mr. PHILBIN. I should rather not, on the front end.

Mr. MARBLE. You would not put them up front?

Mr. PHILBIN. I would not do that.

Mr. MARBLE. As a matter of fact you are using your smaller cars, aren't you?

Mr. PHILBIN. Yes; we are using about all the cars we have got.

Mr. MARBLE. Here is a train, Duluth to Cass Lake, 1,903 tons, is that about a maximum load?

Mr. PHILBIN. No; they could haul more than that, Duluth to Cass Lake, but perhaps there was not more to go at that time.

Mr. MARBLE. How is the iron-ore business into Superior now, as compared with a year ago?

Mr. PHILBIN. Well, it is exactly the same. We are not doing any ore business right now.

Mr. MARBLE. How has it been the last three months?

Mr. PHILBIN. Very much more.

Mr. MARBLE. How much more would you say?

Mr. PHILBIN. The exact figures—we hauled this year 6,080,000 tons of ore—80,000 tons over and above an even 6,000,000.

Mr. MARBLE. And how many did you haul last year?

Mr. PHILBIN. 5,280,000 tons total. I will correct that—5,108,000 tons.

Mr. MARBLE. Has that increased ore business been an appreciable factor in the congestion in the yards?

Mr. PHILBIN. Why, to some little extent, but not a very great extent, because the ore is not handled in the same yard that handles most merchandise, coal, and grain. We have a separate yard for the ore—it is about 10 miles from the grain yard.

Mr. MARBLE. What do you call the branch that brings the ore into Superior?

Mr. PHILBIN. The branch on which the dock is located is known as the Allouez branch.

Mr. MARBLE. Is that the branch that the mines are on?

Mr. PHILBIN. That is the branch the docks are on.

Mr. MARBLE. What branch are the mines on?

Mr. PHILBIN. It might be called—I would call it the Swan River and Virginia branch. It is between Swan River and Virginia that the ore mines are located.

Mr. MARBLE. How many engines have you had in that ore trade this year?

Mr. PHILBIN. About 32.

Mr. MARBLE. And what class of engines?

Mr. PHILBIN. The largest class we have got—the eleven hundreds, that you spoke of awhile ago; and the fifteen hundred for road service, and a smaller class for switching service.

Mr. MARBLE. Thirty-two, all told—switching and all?

Mr. PHILBIN. Yes, sir. The number of engines used in the service varies frequently, because sometimes the mines are loading from stock piles, in which case each stock pile that is being loaded requires the service of one engine. They are sometimes loading from three or four stock piles; sometimes from only one. So that they will vary the number of engines engaged in the ore service.

Mr. MARBLE. Take the last three months. How does that vary as to the number of engines?

Mr. PHILBIN. I should say about from 25 to 30 in the last three months.

Mr. MARBLE. And when did you have the 32 that you spoke of?

Mr. PHILBIN. Earlier in the season.

Mr. MARBLE. What is the most you have had since May?

Mr. PHILBIN. For one time?

Mr. MARBLE. Yes.

Mr. PHILBIN. Thirty-two.

Mr. MARBLE. That is the maximum?

Mr. PHILBIN. Yes.

Mr. MARBLE. How many did you have last year?

Mr. PHILBIN. I think about 24.

Mr. MARBLE. You have got about how many more this year than last?

Mr. PHILBIN. Six to eight.

Mr. MARBLE. You have heard the charge that there was a diversion of power to this iron ore business, which in a large part explained the slowness of movement of wheat and coal.

Mr. PHILBIN. I have not heard that charge.

Mr. MARBLE. Would such a charge be true?

Mr. PHILBIN. No, sir.

Mr. MARBLE. Six engines would do something, but you do not consider it an unreasonable amount of power to put in that trade?

Mr. PHILBIN. Oh, no; that power is assigned to that trade in the spring, and is supposed to remain with it until the traffic is completed in the fall. We do give and take, of course. We have taken engines out of the ore trade and put them into the grain trade and we have occasionally borrowed from the other trades and put it into the ore trade, but we knew full well at the beginning of the season that we would be required to handle 6,000,000 tons and we provided engines to do it with, and we were not short of power—of any class of power at all. The weather really makes a great difference. We were not short at all until the bad weather in November. Then we were short of power, only because an engine will not haul as many cars in November as she will in July and August. That is the only reason it makes us short.

Mr. MARBLE. Other than that, the iron trade has not suffered from lack of power?

Mr. PHILBIN. Nor has the grain trade, so far as my district is concerned.

Commissioner LANE. But you did not get so many carloads of grain during the summer months?

Mr. PHILBIN. Oh, no; very few.

Commissioner LANE. Not nearly so many as usual?

Mr. PHILBIN. I think not.

Commissioner LANE. The elevators were not filled—not nearly as well filled as ordinarily at the 1st of November?

Mr. PHILBIN. Well, I would not be prepared to quote figures on that.

Commissioner LANE. Were there some cars that you used last year in the hauling of grain that were not used this year?

Mr. PHILBIN. I think the same cars were used both years; in fact, I think we had more cars in the grain trade this year than we had last year.

Commissioner LANE. But you did not haul as much grain?

Mr. PHILBIN. No, because a year ago we did take back to the grain fields a good many empty cars, and still had enough cars for the outbound loading. The case was different this year. We took back very few empty cars. Nearly all cars received, loaded with grain, were returned loaded with coal or merchandise.

Commissioner LANE. Where did that coal go—where was its destination?

Mr. PHILBIN. I should say all through the western part of the State of Minnesota and the northern part of Dakota; in fact, pretty much the State of Dakota.

Commissioner LANE. When the coal lines in British Columbia cut off the coal supply for a while?

Mr. PHILBIN. Yes, sir.

Commissioner LANE. And you sent the coal farther out west to supply that deficiency?

Mr. PHILBIN. For a time, yes.

Commissioner LANE. It was during August and September, was it not?

Mr. PHILBIN. I rather think it was rather later than that.

Commissioner LANE. Later than August and September?

Mr. PHILBIN. I think so.

Commissioner LANE. It was sometime in the month of September that you put in the through tariff for carrying coal out there, was it not?

Mr. PHILBIN. I am not familiar with that part of the work. I know nothing about the tariffs.

Commissioner LANE. What would be your judgment as to the time?

Mr. PHILBIN. My recollection is that sending coal to points farther west than usual had existed in September and October, and a portion of November. I do not think it was before September, your honor, but I may be wrong about that. If we were, it was to such a limited extent that we did not feel it in our district.

Commissioner LANE. How far did those cars go westward?

Mr. PHILBIN. West of the grain fields?

Commissioner LANE. Yes.

Mr. PHILBIN. I do not know. I have nothing to do with those districts, and am not at all familiar with it.

Commissioner LANE. Was the coal supply needed as far as Idaho?

Mr. PHILBIN. I could not say.

Commissioner LANE. Do you know the destination of the cars that left Superior bound west?

Mr. PHILBIN. Yes, sir.

Commissioner LANE. Do you know whether an amount of coal was shipped as far west as Idaho?

Mr. PHILBIN. I think not.

Commissioner LANE (continuing). In order to make up that deficiency?

Mr. PHILBIN. My recollection is that we did not ship any coal west of Montana.

Commissioner LANE. Did you ship much into Montana?

Mr. PHILBIN. Well, yes; but not more than usual; but a very large quantity, though.

Commissioner LANE. Might it have been that the many millions of bushels of grain was not transported because you had carried your cars farther west?

Mr. PHILBIN. That might have had some effect on it; I presume it did have some effect.

Commissioner LANE. Is that strike in British Columbia now over?

Mr. PHILBIN. I believe so. I am not familiar with that situation.

Commissioner HARLAN. How many cars have you had standing in your yards, on the average, during the past three months?

Mr. PHILBIN. Do you mean how many cars have been in the yard each day, in the course of a day's business?

Commissioner LANE. Yes.

Mr. PHILBIN. I should say from 1,200 to 1,600 cars.

Mr. MARBLE. Would you consider that a congested state?

Mr. PHILBIN. Yes, sir.

Mr. MARBLE. And how many are there now?

Mr. PHILBIN. Well, unless the movement in Dakota has been better within the past two days, we have not over 2,000 cars there to-day.

Mr. MARBLE. Are you worse congested now than you have been heretofore?

Mr. PHILBIN. Yes, sir.

Mr. MARBLE. Has the snowstorm in Dakota for the last two or three days almost put a stop to freight trains—you mean you have not sent trains out?

Mr. PHILBIN. I mean we have sent them out as far as Cass Lake and the next division beyond—a limited number of them from Cass Lake west, but not a full number.

Mr. MARBLE. What has banked the cars up in the Superior and Duluth yards more than before?

Mr. PHILBIN. The yards at the west end of our division are loaded up with cars for the next division west, and the fact that there has been a heavier west-bound merchandise business within the last two weeks, because it is the last end of the lake shipping and quite a number of merchant boats are received at just the tail end of navigation, making necessary quite a car movement west bound. A normal condition in our Superior and Duluth yards would be about 1,000 cars.

Mr. MARBLE. How does the larger movement west bound increase the number in the Superior yard?

Mr. PHILBIN. Because they are loaded in the Superior yard.

Mr. MARBLE. You brought them in empty?

Mr. PHILBIN. We brought them in and loaded them out with merchandise.

Mr. MARBLE. You hold them to load them?

Mr. PHILBIN. We may have held them just as they came in from day to day.

Mr. MARBLE. The necessary time?

Mr. PHILBIN. That is about all. A very small percentage of the cars have gone west empty this fall. On several occasions we deemed it wise to send out 300 or 400 cars in order to relieve the congestion in the yard, in order that we might better handle the cars that

remained in the yard. We figured that the coal docks, for instance, did not lose anything by the move; that we thereby put ourselves in shape to give them what cars we had left promptly, and handle them properly. The coal docks really did not lose anything by the move, and those occasions have been few, but there have been half a dozen such occasions.

Mr. MARBLE. Has there been more movement into Superior from the west than hitherto?

Mr. PHILBIN. No; I think not.

Mr. MARBLE. Why have you a worse congestion now than you had earlier in the season? You have got more freight to go west. You have not got more cars in and yet you have got more in the yards than heretofore.

Mr. PHILBIN. By recently, when do you mean? We have been pretty well blocked up—well, for three months.

Mr. MARBLE. You have about 1,200 cars?

Mr. PHILBIN. Twelve hundred to 1,500.

Mr. MARBLE. Now you have got about 2,000?

Mr. PHILBIN. Yes.

Mr. MARBLE. Why this increase?

Mr. PHILBIN. Because of this snowstorm in Dakota.

Mr. MARBLE. Did not that block traffic both ways?

Mr. PHILBIN. Yes, of course; we can not get anything west of Cass Lake from Dakota points. We have hauled empties in from west of the lakes to the Twin Cities.

Mr. MARBLE. Does that explain the increase?

Mr. PHILBIN. To the extent of 200 or 300.

Mr. MARBLE. You have received more cars from the west than you have loaded out since the snowstorm commenced?

Mr. PHILBIN. Yes; we have received more from the West. We speak of the West. We call the Twin Cities West, too.

Mr. MARBLE. The North—the Northwest. You have received more than you have shipped out?

Mr. PHILBIN. Yes.

Mr. MARBLE. What is the reason?

Mr. PHILBIN. Because you can not move them out. To make it plainer, I think we had in Cass Lake on Saturday about 500 cars. It will not hold more than 650 cars. Now, to put the other 150 in there would have been a bad move, because it would have so congested that yard, because when they had any moving of cars to do they could not handle them properly. So that when the snow blockade was lifted and we got to moving freight trains to the West they would find the tracks just conveniently loaded with cars to make their moves properly.

Mr. MARBLE. About how many cars are customarily in the yard at Cass Lake?

Mr. PHILBIN. I should think about 300 or 350.

Mr. MARBLE. What has increased the number there? Why do not as many go one way as another, or why do not as many go out as come in?

Mr. PHILBIN. The necessity for big outbound shipment of coal has increased it, and the fact that recently in order to save the box cars for commercial loading—we sent coal to these people in Dakota who

were freezing to death, if you please—we have loaded 1,500 ore cars with company coal and are sending them West. They will get West, I presume, as far as Minot and Devils Lake, and they will have to come back East empty.

Mr. MARBLE. How much coal is stored in company cars on your division?

Mr. PHILBIN. I think yesterday we must have had in the neighborhood of 500 cars. Over 400 of them being ore cars, we could not carry commercial coal nor merchandise, nor anything but company coal or iron ore.

Mr. MARBLE. And 100 box cars?

Mr. PHILBIN. Not to exceed 100 box cars loaded with company coal.

Mr. MARBLE. On your division?

Mr. PHILBIN. Yes, sir.

Mr. MARBLE. Was that coal in transit, or was it waiting to be consumed?

Mr. PHILBIN. It was in movement, mostly.

Mr. MARBLE. About how many cars was there at the place of consumption and waiting to be taken for consumption on your division?

Mr. PHILBIN. This company coal—the cars that I speak of—99 per per cent of them hold coal that would be consumed at points west of my district, and I do not know how many cars. For instance, some cars were consigned to Minot, N. Dak. I have no means of knowing how many cars they had there yesterday. I simply know that they had a certain number of cars.

Mr. MARBLE. Minot is the place of reconsignment?

Mr. PHILBIN. Yes; where billed pretty much to the points at which they are consumed—Minot, and Devils Lake, and Crookston, and Dawson, and other places.

Mr. MARBLE. To make it plain, can you tell us why commercial coal can not be shipped in the ore cars as well as company coal?

Mr. PHILBIN. They are a short car, 25 feet long and very high. About as high as box cars. Now, we handle our coal through elevated trestles, and pull these cars up on to the elevated trestles and then let go the trapdoors, and the coal falls out of the bottoms into the locomotive tanks. The commercial people have not got any such trestles.

Mr. MARBLE. You have facilities for unloading that the commercial people have not?

Mr. PHILBIN. That is it; and we could not afford to carry commercial coal in those cars. Those cars must come back. Some of them have gone as far as six or seven hundred miles. We have done that to give our customers—if you may call them that—the benefit of all the box cars that are available.

Mr. MARBLE. Take this congestion—when you get from twelve to fifteen hundred or two thousand cars in your yard, does that result in burying empties, so that it is practically impossible to get them out?

Mr. PHILBIN. It does result in individual cars getting so buried, yes.

Mr. MARBLE. How about cars awaiting repairs? Is there some delay of that kind?

Mr. PHILBIN. Yes, sir; we can not get necessary labor.

Mr. MARBLE. It is rather ordinary labor that is needed to make the bulk of those repairs?

Mr. PHILBIN. Yes; it is not what might be called skilled labor, and yet it is a little above the ordinary labor.

Mr. MARBLE. Why do you not put the men on?

Mr. PHILBIN. Because they do not exist.

Mr. MARBLE. You are liable to have to stop running your railroad?

Mr. PHILBIN. You are liable to have to curtail the business of the company. I do not think there is any doubt about that. There are not enough men in the class to supply the demand in that district.

Mr. MARBLE. It is not a question of economy in the payment of wages that keeps you from getting men?

Mr. PHILBIN. No, sir.

Mr. MARBLE. What wages do you pay for car repair men?

Mr. PHILBIN. They will average about $2.20 a day.

Mr. MARBLE. For ten hours' work?

Mr. PHILBIN. Yes, sir.

Mr. MARBLE. That is the ordinary wages paid by other railroad systems similarly situated?

Mr. PHILBIN. I think so, yes; they have been advanced like other classes of labor within the last three months.

Mr. MARBLE. Do you suppose a small increase in wages would help to ease off the situation and prevent this situation of the yards—this lack of cars? Could you get them for $2.50?

Mr. PHILBIN. We could get them if the Northern Pacific would pay $2.25 and we pay $2.50, we would get all the men; but we would not get more men on the two roads. There is an honest scarcity of men in our district. There are not enough men there to supply the demand.

Mr. MARBLE. Might you not draw some from other districts?

Mr. PHILBIN. You know the conditions better than I do. I speak only of our own district.

Mr. MARBLE. If you were in control, and able to spend more money, could you better the service of your road in your district, by not being so economical? I ask you to speak as an expert railroad man?

Mr. PHILBIN. Well, I am conceited enough to think that in some few things—some few changes I would make might work out to advantage, but on the whole I think not, because we have up there, myself and other officers—we might have been authorized to spend an almost unlimited amount of money to make better this condition this year and could not get the labor nor the materials to work with. For instance, we were authorized to expand in a very considerable way our Superior yard, in which this grain is handled, and we could not do it, we had the money—we had no doubt they would have paid the bills—we could not get the labor to do it, could not get the ties, could not get the rails to do it.

Mr. MARBLE. You do not think it is economy in paying wages that keeps you from getting men?

Mr. PHILBIN. You can judge best by my saying we paid our dock laborers $2.80 cents a day and were short 50 per cent every day in the month.

Mr. MARBLE. Why is that?

Mr. PHILBIN. Because the men do not exist.

Mr. MARBLE. Were the men laying off because it was very cold?

Mr. PHILBIN. No, it was cold, but not any colder than usual.

Mr. MARBLE. Are you short any other classes of labor?

Mr. PHILBIN. Yes, sir.
Mr. MARBLE. Enginemen?
Mr. PHILBIN. Yes, sir.
Mr. MARBLE. How are other industries off for men?
Mr. PHILBIN. I am afraid they are about in the same fix.
Mr. MARBLE. That ought to reduce the tonnage.
Mr. PHILBIN. It has reduced the tonnage to some extent.
Mr. MARBLE. Do you say the lack of labor is responsible for the delay in transportation?
Mr. PHILBIN. Yes, sir.
Mr. MARBLE. Have these empties that you sent west—do you know where they went to for distribution?
Mr. PHILBIN. Not after they went to Sandstone and Cass Lake.
Mr. MARBLE. You do not know whether they were distributed to competitive points rather than noncompetitive points?
Mr. PHILBIN. We do not pay any attention to that.
Mr. MARBLE. Is that your observation—that the enginemen work too long hours to be thoroughly efficient?
Mr. PHILBIN. Well, enginemen are like others—they are inclined to be selfish and make all the miles they can, which means all the money that they can earn—and I have known cases where it was necessary to watch men to keep them from trying to make too many miles; that is, to keep them from trying to make too much money in the month. They would be inclined to overwork themselves if they were not watched and compelled to take rest. There are cases where trains meet with unusual delays, many cases of that kind, where men are longer on the road than they should be, but we aim to watch it as closely as we can and to avoid letting a man work at any time longer, ordinarily, than about seventeen consecutive hours under any circumstances, and to try to make his day's work about fourteen hours. We do not always succeed, but I think we do in most cases.
Mr. MARBLE. Have you in the last ten years disciplined any men for demanding less time?
Mr. PHILBIN. No, sir.
Mr. MARBLE. Have you compelled men to take rest who would not otherwise have done so?
Mr. PHILBIN. I think we have; yes, sir.
Commissioner LANE. You heard the statement that was made by Mr. Blanchard in regard to the policy of the Northern Pacific, touching the question of coal shortages in North Dakota. Are you in a position to make the same kind of a promise as to the quick handling of coal direct to those points?
Mr. PHILBIN. Yes, sir. I have the most positive instruction from my general office to leave no stone unturned to hurry commercial coal to the Dakotas, with preference over all other classes of freight, and to limit the tonnage of trains, so that they can move as promptly as possible, and, as a matter of fact, during the last ten days, as perhaps you know, certain ratings for certain engines—they have not been given 70 per cent of such ratings for the last three weeks.
Commissioner LANE. It makes some difference as to the rapidity with which a train moves, then—the amount of freight it hauls?
Mr. PHILBIN. I think so.

Commissioner LANE. The Commission has sent out from here this morning an invitation to several points of which we have heard and where there was supposed to be a shortage in coal. We desired to have the situation relieved as soon as possible, of course, and we have received these two telegrams, one from Ojata, N. Dak. Is that on your line?

Mr. PHILBIN. I think it is. It is beyond my district, but I think it is on our line.

Commissioner LANE. It reads as follows:

Ten tons of hard coal on hand. No railway coal in store or on track. There is some suffering at present. Getting worse every day.

L. W. SORNHEIM.

We have addressed these telegrams to the mayor or some prominent citizen of the respective towns.

We also communicated with Finley. That is on your road, the Great Northern, too, and this Milton, I think that is a point on your line. Now, can you let these people there know that they can get coal and have it sent to them immediately?

Mr. PHILBIN. Why, of course, we do not own the coal; we are like the Northern Pacific in that respect.

Commissioner LANE. I understand it, these steamers have unloaded coal at Superior and Duluth which has not been sent off. I am not asking you to supply the coal at all.

Mr. PHILBIN. If the shipper in Duluth or Superior will load the coal for that point, and give the number of the car that he has so loaded, we would give it special preference, and hurry that car.

Commissioner LANE. I will telegraph Mr. Sornheim this afternoon to that effect, that if there is coal ordered in Duluth or Superior for that town, if they will send you the numbers of the car, and that you will also furnish the car, that you will see that it is immediately sent to them, and that you will do that as to all points in North Dakota, or to all points throughout the Northwest where there is suffering or immediate necessity for coal.

Mr. PHILBIN. That has been my instructions.

Commissioner LANE. And have it published in the newspapers?

Mr. PHILBIN. And that I hope will get as wide circulation as possible and the orders placed in Duluth or Superior for coal; cars will be available for transportation of that coal, if there is necessity for coal in the western points, and that coal will be transported as speedily as possible.

Commissioner LANE. Is Finley on your line?

Mr. STILLBORN. Yes, sir.

Commissioner LANE. The postmaster at Finley reports there is no coal in store and there is no railway coal, but there has been no suffering as yet. I shall telegraph him also to the same effect.

The Commission will now adjourn until 10 o'clock to-morrow morning.

(Thereupon, at 5 o'clock p. m., the Commission adjourned.)

UNITED STATES COURT-ROOM,
Minneapolis, Minn., December 18, 1906, 10 o'clock a. m.

Commissioner LANE. Before you call the first witness I wish to read some telegrams which have been received in answer to inquiries that have been sent out by the Commission to points in North Dakota relative to the coal famine. Here is one from the postmaster at Carpio, N. Dak.:

No coal in store to-day. All supplies of coal in town will be out in three to five days. No railroad coal in store or cars. Immediate suffering for fuel in town and country expected at once. Two coal cars from Duluth for Bovey Shute Lumber Company, Carpio, N. Dak., been in transit for one month. Not yet arrived. Need coal at once.

New Rockford, N. Dak.:

No coal in town. Everybody clamoring for fuel; situation serious.

Maddock, N. Dak.:

Have no coal in store here to-day except 5 tons of railway coal, and we are beginning to suffer for fuel now.

Courtenay, N. Dak.:

One hundred and seventy-five tons of coal stored in cars and coal sheds. No railroad coal. Will last about a week. No suffering for want of fuel.

Glenburn, N. Dak.:

No coal in store here. None on track. Only limited supply with consumers. Many farmers entirely out. Supply in town sufficient for week or ten days.

Westhope, N. Dak.:

About 30 tons soft coal here; will last about ten days; no railroad coal stored; none stored in cars; we have sufficient for the present; 80 tons arrived this p. m.

Anita, N. Dak.:

No coal in store; none in cars; combined dealers report they could have sold 30 cars in past two weeks so great is demand. No cases of suffering known of, but situation alarming if this continues. No railroad coal.

Barlow, N. Dak.:

Three tons soft, 50 tons hard coal in dealers' hands here. No railroad coal. Can get along without suffering in this vicinity for ten days.

Rugby, N. Dak.:

No coal in storage. About 100 tons in railway sheds. None in cars. There is suffering for fuel in country.

Galesburg, N. Dak.:

No fuel in store in this town, either coal or wood. Some people are burning lumber for fuel. Will be great distress in a week.

Hannaford, N. Dak.:

Forty tons hard coal; no railroad coal; none stored in cars. Nobody suffering.

Knox, N. Dak.:

No coal at all here, except what is in the hands of the consumers; will be suffering if don't get coal soon.

Sherwood, N. Dak.:

Absolutely no fuel; none stored; carload of railroad company's coal distributed yesterday; no more on hand; much suffering anticipated; suffering reported among farmers now; are burning straw and, in cases, buildings. Schools closed; post-office using blacksmith coal.

Dazey, N. Dak.:

Not a pound of any kind of coal in Dazey; a very little wood. There is suffering now both in town and country. Farmers in every day looking for coal, and if situation is not changed at very early date greater suffering must ensue.

Mohall, N. Dak.:

Absolutely no coal on hand or in store; conditions serious; rural community suffering; must have relief at once.

W. J. COSTELLO, called as a witness, was duly sworn and testified as follows:

Mr. MARBLE. What is your name?

Mr. COSTELLO. W. J. Costello.

Mr. MARBLE. You reside here in Minneapolis?

Mr. COSTELLO. Yes, sir.

Mr. MARBLE. And what is your business?

Mr. COSTELLO. I am assistant freight agent for the Great Northern.

Mr. MARBLE. Assistant freight agent?

Mr. COSTELLO. Yes, sir.

Mr. MARBLE. And what are your duties as such assistant freight agent, generally?

Mr. COSTELLO. We have an office on the east side, and I have charge of that. We handle all the freight business, excepting to take care of the accounts.

Mr. MARBLE. You keep records showing the stations from which cars come to this city, date of their shipment, and the car numbers, the date received here, the date disposition is given to you, and the contents of the car, do you?

Mr. COSTELLO. Yes, sir.

Mr. MARBLE. And these sheets which you have handed me, are they true copies of your records for the time covered by the sheets?

Mr. COSTELLO. They are exact copies; yes, sir.

Mr. MARBLE. And those are copies made for the purpose of this investigation?

Mr. COSTELLO. No; they are copies of a report that we make every day. We just keep that carbon on file.

Mr. MARBLE. And this is a carbon copy of the report—these are carbon copies of the reports that were made to other departments of the railroad, showing this information?

Mr. COSTELLO. Yes, sir.

Mr. MARBLE. Are those reports correct?

Mr. COSTELLO. Yes, sir.

Mr. MARBLE. May we keep these copies for reference and examination?

Mr. COSTELLO. Yes, sir; I have no objection, as far as I am concerned.

Mr. MARBLE. Their detention will not hamper the railroad work any?

Mr. COSTELLO. No.

Mr. MARBLE. I will examine you just enough to get the full meaning of these records. This station here——

Mr. COSTELLO. That is Pelican Rapids.

Mr. MARBLE. Pelican Rapids is a station from which that car was shipped?

Mr. COSTELLO. Yes, sir.

Mr. MARBLE. And when was the date of the waybill—can you tell when that car originated?
Mr. COSTELLO. The month here is somewhat blurred.
Mr. MARBLE. What is the day of the month?
Mr. COSTELLO. The 16th.
Mr. MARBLE. And when was that car received?
Mr. COSTELLO. It was received here on the 15th.
Mr. MARBLE. Of what month?
Mr. COSTELLO. December.
Mr. MARBLE. It must have originated in some other month than December?
Mr. COSTELLO. It must have, unless the date on the waybill is incorrect.
Mr. MARBLE. Those waybills are generally correct, are they not?
Mr. COSTELLO. Sometimes they put the 12th for the 11th, or something like that.
Mr. MARBLE. And what was in that car?
Mr. COSTELLO. Wheat.
Mr. MARBLE. Now, can you tell the origin of the next car?
Mr COSTELLO. That would be the 12th.
Mr. MARBLE. The 12th of what?
Mr. COSTELLO. December.
Mr. MARBLE. You are sure that is December?
Mr. COSTELLO. Yes, sir.
Mr. MARBLE. How do you tell?
Mr. COSTELLO. He changes the date—every time the date changes he changes the month.
Mr. MARBLE. Where does it say the 12th there?
Mr. COSTELLO. Right there [indicating]. I would call that the 12th.
Mr. MARBLE. Is it a ditto mark under the month above?
Mr. COSTELLO. I would call that 12.
Mr. MARBLE. Then, if it originated on the 12th of December and it arrived here on the 15th, it came in three days from Pelican Rapids?
Mr. COSTELLO. Yes, sir.
Mr. MARBLE. And the other one appears to have been a month on the way. Take this car [indicating]. When did that originate?
Mr. COSTELLO. On the 10th.
Mr. MARBLE. The 10th of what?
Mr. COSTELLO. December.
Mr. MARBLE. How do you tell that it is December?
Mr. COSTELLO. Because it is the 12th month there.
Mr. MARBLE. You are assuming that it is December up above?
Mr. COSTELLO. Yes, sir.
Mr. MARBLE. Here are some that certainly originated in December, did they not?
Mr. COSTELLO. That is the 12th.
Mr. MARBLE. The 12th month and 7th day?
Mr. COSTELLO. At Hufton.
Mr. MARBLE. And arrived here on the 15th?
Mr. COSTELLO. On the 15th.
Mr. MARBLE. Take that car. Where did that originate [indicating]?
Mr. COSTELLO. That originated at Crary.
Mr. MARBLE. Now, when did that originate [indicating]?

Mr. COSTELLO. November 28.
Mr. MARBLE. When did it arrive?
Mr. COSTELLO. December 15.
Mr. MARBLE. Take the next car. When did that originate?
Mr. COSTELLO. At Penn, N. Dak., November 29.
Mr. MARBLE. When did it arrive?
Mr. COSTELLO. December 15.
Mr. MARBLE. Take the next one.
Mr. COSTELLO. That originated at Millard.
Mr. MARBLE. When?
Mr. COSTELLO. The 12th.
Mr. MARBLE. When did it arrive?
Mr. COSTELLO. On the 15th of December.
Mr. MARBLE. The 15th—it was out three days?
Mr. COSTELLO. Yes.
Mr. MARBLE. Take the next one.
Mr. COSTELLO. That originated at South Omaha, December 4.
Mr. MARBLE. That is from the south?
Mr. COSTELLO. Yes, sir.
Mr. MARBLE. From what records are these sheets made up?
Mr. COSTELLO. Made from the waybills.
Mr. MARBLE. By you?
Mr. COSTELLO. By a clerk.
Mr. MARBLE. A clerk under your direction?
Mr. COSTELLO. Yes, sir.
Mr. MARBLE. And have you found them generally correct?
Mr. COSTELLO. Generally correct; yes, sir.
Mr. MARBLE. To make sure again that we can read that properly in examining it, I will try you with this one which originated at Alberta.
Mr. COSTELLO. Yes, sir.
Mr. MARBLE. On the 11th of November?
Mr. COSTELLO. The 11th of December. That is the waybill number there.
Mr. MARBLE. How do you tell that it originated in December?
Mr. COSTELLO. If there is any other month there than the month they are working in they put the month up there [indicating].
Mr. MARBLE. It originated on the 11th of December?
Mr. COSTELLO. Yes, sir.
Mr. MARBLE. And it arrived in Minneapolis on the 14th of December?
Mr. COSTELLO. It arrived on the 13th.
Mr. MARBLE. It arrived on the 13th?
Mr. COSTELLO. He has made a mistake there. That should be December.
Mr. MARBLE. How do you know that is a mistake?
Mr. COSTELLO. Because the dispositions are given on the 14th. That is the date—the 14th, here.
Mr. MARBLE. Do you know that that did not stand around in the yards all that time waiting for disposition?
Mr. COSTELLO. No.
Mr. MARBLE. Possibly demurrage was paid on the car?
Mr. COSTELLO. Those are just put on the day they come in.
Mr. MARBLE. There may be some mistakes in those, then?

Mr. COSTELLO. There might be a mistake in the date of the waybill, or the waybill number, of course, a clerical error.

Mr. MARBLE. The month appears on only a portion of them. Why does not the month of origin appear on all?

Mr. COSTELLO. That is the way they make the statement up.

Mr. MARBLE. Why do they put it on some and not on others?

Mr. COSTELLO. That is the way the clerk has of making it up.

Mr. MARBLE. He does it either way, as he chooses?

Mr. COSTELLO. The general way they do it is to change it for a different month from the month that he is using. They note the month then.

Mr. MARBLE. Why do they put the month in on the date of arrival? Why don't they show the date on which it was shipped?

Mr. COSTELLO. Well, we could do it. It never occurred to me.

Mr. MARBLE. Why is the date or month of origin left out of these sheets?

Mr. COSTELLO. The only reason I know of that the month is left off is because it is the current month in which they are working.

Mr. MARBLE. But they could leave off the date of arrival here. It is only the date of origin that is left off.

Mr. COSTELLO. Yes, sir.

Mr. MARBLE. Which makes it impossible to tell how long the cars are on the road from these sheets.

Commissioner HARLAN. Mr. Marble, let me see one of those sheets, please.

(Mr. Marble hands paper to Commissioner Harlan.)

Mr. MARBLE. You say that is the usual way of making out these, leaving off the month of origin and putting on in particular cases the date and the month?

Mr. COSTELLO. That is the way they have been making it up.

Mr. MARBLE. Do you know why the month is left off in one case and not in the other?

Mr. COSTELLO. It is just simply the manner the clerk has of doing it.

Mr. MARBLE. Does the clerk do this because he chooses or does he have orders?

Mr. COSTELLO. He has orders, generally, as to the way to do his work.

Mr. MARBLE. Who told him to make them out in this way?

Mr. COSTELLO. I do not know as anybody did.

Mr. MARBLE. When were these sheets written?

Mr. COSTELLO. Written the same day the car comes in.

Mr. MARBLE. Were they written since this investigation began?

Mr. COSTELLO. No, sir.

Mr. MARBLE. I will have to ask you to bring to us to-morrow morning other sheets which will be fully filled out, covering—start the 1st of November and fill out that month of the origin.

Mr. COSTELLO. Well, we have another sheet that we call—another record. I think that probably has all the months on it.

Mr. MARBLE. I wish you would bring that in.

Mr. COSTELLO. That is what I will do.

Mr. MARBLE. That is what we want—to have the months.

Mr. COSTELLO. I will do so.

Mr. MARBLE. All right, sir; that is all.

(The witness was excused.)

M. S. BLAIR, called as a witness, was duly sworn and testified as follows:

Mr. MARBLE. Mr. Blair, you reside at Ojata, N. Dak.?

Mr. BLAIR Yes, sir.

Mr. MARBLE. You are a farmer at that point?

Mr. BLAIR. Yes, sir.

Mr. MARBLE. How long have you been a farmer in North Dakota?

Mr. BLAIR. Twenty-seven years.

Mr. MARBLE. Are you interested in grain buying also?

Mr. BLAIR. Yes, sir.

Mr. MARBLE. In what capacity?

Mr. BLAIR. Well, last year I was interested in grain buying in the capacity of manager and secretary of the Minnesota Farmers' Exchange.

Mr. MARBLE. And it was stated before that they owned farmers' elevators and owned stock in elevators. Is that right?

Mr. BLAIR. That is, they have elevators of their own, and there is also farmers' elevators that own stock of theirs.

Mr. MARBLE. Are you in touch with the elevator situation in North Dakota—the farmers' elevator situation?

Mr. BLAIR. Somewhat.

Mr. MARBLE. And are you familiar with the present conditions and the conditions during this crop year?

Mr. BLAIR. In some localities.

Mr. MARBLE. I will ask you what the effect on prices in North Dakota of this failure of transportation facilities has been?

Mr. BLAIR. It has had the effect of widening the margins—that is, between the terminal point and the local point.

Mr. MARBLE. Then it has had the effect of lowering the price to you compared with the price at the terminal market?

Mr. BLAIR. Yes, sir.

Mr. MARBLE. Who suffered from that?

Mr. BLAIR. The producer.

Mr. MARBLE. The producer of grain?

Mr. BLAIR. Yes, sir.

Mr. MARBLE. Why did it have that effect?

Mr. BLAIR. The effect from the elevators, claiming that they could not buy this grain on as close margin, for the simple reason that they could not deliver it in time so as to save the excess charges or expense they were put to by the detention of grain laying in their elevators.

Mr. MARBLE. So they reduced the prices they paid?

Mr. BLAIR. Yes, sir.

Mr. MARBLE. Did it have any effect on the competition at any points?

Mr. BLAIR. It practically cut off the competition.

Mr. MARBLE. What is the farmers' elevator started for, generally?

Mr. BLAIR. That is to make competition in trade; that is, in the buying of grain.

Mr. MARBLE. It is started to make competition?

Mr. BLAIR. In order to make competition.

Mr. MARBLE. To make a fight in the market?

Mr. BLAIR. Yes, sir.

Mr. MARBLE. And, now, how does car shortage affect that fight?

Mr. BLAIR. The farmers' elevators get full first.

Mr. MARBLE. As a general rule?

Mr. BLAIR. Yes, sir; and they of course could handle more grain if they had shipping facilities, and if they could ship it off as fast as they received it, they could do it with the same amount of help at a less expense than they can where they are not able to handle the grain as fast as ordinary capacity would allow.

Mr. MARBLE. When they get full they go out of the market?

Mr. BLAIR. They do not go out of the market, but they simply have to close up their house until such time as they are relieved by obtaining cars and getting a chance to buy some more grain.

Mr. MARBLE. And when they are buying they also take a wider margin than if they have cars?

Mr. BLAIR. Yes, sir. Our experience last year and a year ago has shown that the people take a larger margin, and must in order to carry the house through without a loss.

Mr. MARBLE. Is it your opinion that these elevators, starting and inducing competition, as you say, are suffering more than the line elevators?

Mr. BLAIR. Well, I could not say. I am not in a position to know what the line elevators are suffering. I know our expense is a great deal greater. That is the statement of each and every farmers' elevator I have visited this last season, which has been in the neighborhood of fifty or sixty.

Mr. MARBLE. Is it likely to put any of these independent dealers out of business; put them into bankruptcy?

Mr. BLAIR. I do not think it is liable to put any of them out of business, but it is going to make it a pretty hard proposition for them. Of course the farmers will still retain their competition as far as they can, even though there is a still greater expense than at the present time.

Mr. MARBLE. It is the opinion of the farmers pretty generally, is it not, that this car shortage situation was brought about by the railways in order to produce just this result of ending competition?

Mr. BLAIR. That is their idea.

Mr. MARBLE. You do not know of any evidence to back up that opinion, do you?

Mr. BLAIR. I do not.

Mr. MARBLE. You have experience in trying to get sites from the Great Northern, have you not?

Mr. BLAIR. A year or so ago I did.

Mr. MARBLE. What did they tell you?

Mr. BLAIR. There were two or three points I made application for. They would not give any encouragement at first, thinking that there were a sufficient amount of elevators at that point to take care of the business.

Mr. MARBLE. Did the Great Northern people tell you that there were enough elevators at the points to take care of the business?

Mr. BLAIR. Yes, sir; in their judgment.

Mr. MARBLE. And they did not want any more?

Mr. BLAIR. They did not think it was necessary.

Mr. MARBLE. You had four such cases last summer?

Mr. BLAIR. Yes, sir.

Mr. MARBLE. Have you got your sites yet in all of these cases?

Mr. BLAIR. No, sir.

Mr. MARBLE. Did they try to persuade you to buy old-line elevators.

Mr. BLAIR. They encouraged the purchase of them, if possible.

Mr. MARBLE. This is somewhat aside, but it is interesting in view of some evidence of the Great Northern which we took in the elevator inquiry, which evidence was directly to the contrary of the statements which the witness makes. Have you engaged in the coal business at all?

Mr. BLAIR. Yes, sir.

Mr. MARBLE. Have you tried to buy coal for the farmers' elevators?

Mr. BLAIR. Yes, sir.

Mr. MARBLE. And from whom did you try to buy coal?

Mr. BLAIR. From parties here in Minneapolis.

Mr. MARBLE. Can you tell us what parties?

Mr. BLAIR. The Adams Coal Company, the Sullivan Coal Company, and I have talked with a party—the Pioneer Coal Company.

Mr. MARBLE. What did they tell you?

Mr. BLAIR. They said that as long as we were not dealers there that they could not possibly accommodate us.

Mr. MARBLE. Did they tell you to go and see anybody?

Mr. BLAIR. The Adams Coal Company directed me to the secretary of the Coal Dealers' Association. I have forgotten what the gentleman's name is.

Mr. MARBLE. What did he tell you?

Mr. BLAIR. He told me that they would like very well to—advised me to make application and to become a member of their association, and to comply with the rules and regulations of their association, before they could really list us as members and place us in a position to buy coal.

Mr. MARBLE. Do any of those rules have to do with sustaining prices?

Mr. BLAIR. Yes, sir. The understanding is that they were to sustain prices at any point where they would permit us to go in and conduct a business.

Mr. MARBLE. Did you buy coal last year?

Mr. BLAIR. Not from any of these dealers.

Mr. MARBLE. You could not buy it?

Mr. BLAIR. I could not buy it.

Mr. MARBLE. You bought some coal?

Mr. BLAIR. Yes, sir.

Mr. MARBLE. Where did you buy that?

Mr. BLAIR. I bought mine at Cleveland, Ohio.

Mr. MARBLE. Cleveland, Ohio. And how did you ship?

Mr. BLAIR. All rail.

Mr. MARBLE. Did you have a through rate?

Mr. BLAIR. No, sir.

Mr. MARBLE. It was made up of the sums of the locals?

Mr. BLAIR. Yes, sir.

Mr. MARBLE. You bought some elsewhere, too, did you not?

Mr. BLAIR. I bought one load at Manistee, Mich.

Mr. MARBLE. And how did you ship that—by rail?

Mr. BLAIR. Yes, sir.

Mr. MARBLE. Did you have a through rate?

Mr. BLAIR. No, sir.

Mr. MARBLE. It paid the sum of the locals?
Mr. BLAIR. Yes, sir.
Mr. MARBLE. Have you considered it advantageous to buy that coal?
Mr. BLAIR. No, sir.
Mr. MARBLE. Why did you buy it?
Mr. BLAIR. Why did I buy it?
Mr. MARBLE. Yes, sir.
Mr. BLAIR. There was nothing; I could not buy it and lay it down as cheap hardly as it could be bought at the head of the Lakes and be laid down, but I was determined to have my own coal, and the coal came, as it was quite a little cheaper than the retail price which other people had to pay, but not as cheap as the wholesale price.
Mr. MARBLE. Not as cheap as the wholesale price?
Mr. BLAIR. Yes, sir.
Mr. MARBLE. You have been shipping wheat for a number of years, have you?
Mr. BLAIR. Yes, sir.
Mr. MARBLE. Do you know about the time of cars in transit?
Mr. BLAIR. Yes, sir.
Mr. MARBLE. Your point is Grand Forks?
Mr. BLAIR. Twelve miles west of Grand Forks.
Mr. MARBLE. I will ask you if cars take longer in transit now than they did in previous years?
Mr. BLAIR. Yes, sir; that is my experience.
Mr. MARBLE. How long have your cars taken on the average this crop year?
Mr. BLAIR. This crop year they have taken from one to three weeks.
Mr. MARBLE. And previously what has been the time?
Mr. BLAIR. I have had cars get in inside of three days.
Mr. MARBLE. Have you got any cars in inside of three days this year?
Mr. BLAIR. No, sir.
Mr. MARBLE. Any less than a week?
Mr. BLAIR. No; I do not think there are any less than a week.
Mr. MARBLE. Previously what has been the average time?
Mr. BLAIR. Three days or thereabouts for wheat up to last fall.
Commissioner HARLAN. What is the distance?
Mr. MARBLE. What is the distance from Grand Forks to Duluth?
Mr. BLAIR. Two hundred and ninety-three miles, I think, by schedule.
Mr. MARBLE. You are 12 miles farther?
Mr. BLAIR. Yes, sir.
Mr. MARBLE. The same railroad carries this grain this year that carried it in previous years?
Mr. BLAIR. Yes, sir.
Mr. MARBLE. Do you know why they take longer this year?
Mr. BLAIR. Not absolutely. I have my idea.
Mr. MARBLE. Have railroad men informed you?
Mr. BLAIR. No, sir.
Mr. MARBLE. You had some trouble trying to get wheat into Duluth on November contracts this year, did you not?
Mr. BLAIR. Yes, sir.

Mr. MARBLE. How long before the 1st of December did you start that wheat?

Mr. BLAIR. It had from thirteen to fifteen days.

Mr. MARBLE. Did it arrive in time?

Mr. BLAIR. No, sir; most of it did not.

Mr. MARBLE. When did it arrive?

Mr. BLAIR. About a week later.

Mr. MARBLE. You had thirteen days for it to get into Duluth, and it arrived a week later?

Mr. BLAIR. Yes, sir.

Mr. MARBLE. What effect did that have upon your business?

Mr. BLAIR. It had the effect upon our customers that when they had wheat sold to arrive to be delivered in November that they had to buy it in in order to fulfill their contracts. They had sold the wheat to arrive, and of course the month was up the last day of November, and if they could not furnish it at that time they had to buy it in for a greater price than what they would have had to give for it if it had come in in time. Other wheat would be worth 6 cents after the 1st of December more than it would be before—from 3 to 6 cents, according to the arrangements they could make with the parties in order to make settlement.

Mr. MARBLE. They would lose several cents a bushel by failure to arrive?

Mr. BLAIR. Yes, sir.

Mr. MARBLE. Do you know where the major portion of the delay took place, whether it was before reaching Duluth or after?

Mr. BLAIR. I understand part of it was before and part of it after getting into the yards at Duluth.

Mr. MARBLE. You have some experience trying to get cars from the dispatcher at Grand Forks?

Mr. BLAIR. Yes, sir.

Mr. MARBLE. You had that this season?

Mr. BLAIR. Yes, sir.

Mr. MARBLE. Did he give you the cars?

Mr. BLAIR. For local shipments for local points, at Ojata, but I tried to get cars farther west for farmers' elevators.

Mr. MARBLE. Did you get them?

Mr. BLAIR. No, sir; not as readily as we should have got them.

Mr. MARBLE. Did he make an explanation to you as to why that was so?

Mr. BLAIR. Well, in one particular case, where he said they had a great many calls for cars within a radius of a hundred miles of Grand Forks. A great many elevators were tied up and they had standing orders to ship west a certain number of cars each day, which had to go to the extreme Western States—the western part of our State and States west of us.

Mr. MARBLE. Do you know how many cars there were shipped?

Mr. BLAIR. He stated the orders covered from 75 to 125 cars a day.

Mr. MARBLE. Did you understand they were going to the Pacific coast?

Mr. BLAIR. I inferred from what he said that they were going out into Washington country.

Mr. MARBLE. He did not state that exactly?

Mr. BLAIR. He did not state that exactly, but I inferred that.

Mr. MARBLE. Tell us about the cattle train you brought down. You brought down a cattle train, did you not?

Mr. BLAIR. I came down with a couple of loads of cattle on or about the 10th of November from Finley, N. Dak.

Mr. MARBLE. How many cars were there in that train?

Mr. BLAIR. Until we got to Casselton, there were very few, but after we got to Casselton we waited an hour for a cattle train, and, when we were coming down the line, I noticed an exceedingly long train and I asked the conductor how many cars he had on, and he said 68.

Mr. MARBLE. Did you have any accidents that trip?

Mr. BLAIR. Yes, sir; from the time we left Larimore until we got into Minneapolis we pulled out three drawheads.

Mr. MARBLE. Do you know why they pulled out?

Mr. BLAIR. I have my idea.

Mr. MARBLE. Did the train men explain it to you?

Mr. BLAIR. No, sir.

Mr. MARBLE. It was very evident that it was the weight of the train?

Mr. BLAIR. Yes, sir.

Mr. MARBLE. And yet that train made good time?

Mr. BLAIR. Yes, sir; good—extraordinary good time; that is, of course cattle trains have the right of way wherever it is possible to give it to them. They have the right of way over other trains—regular cattle trains.

Mr. MARBLE. You made better time than your wheat made coming to Duluth, then, even with these accidents?

Mr. BLAIR. Yes, sir.

Mr. MARBLE. You do not know what mishaps your wheat met with?

Mr. BLAIR. No, sir.

Mr. MARBLE. Have the local trains between Crookston and Larimore been running regularly recently?

Mr. BLAIR. I have had no occasion to keep track of them, excepting a week ago yesterday, when I left home, I made an inquiry there as to what was the matter with the local trains. We had not had any local trains there for some time.

Mr. MARBLE. You say you had not had any local trains for how long?

Mr. BLAIR. A number of days; I do not know how long. I did not know how it was until I asked for information from the operator there, and he stated to me that they had not had a local for eight days.

Mr. MARBLE. Now, by local you mean what?

Mr. BLAIR. A local train that we have. We have been having one or two local trains from Crookston to Larimore. Those take up our local freight. They pick up the freight from local points west and come back loaded, mostly with wheat.

Mr. MARBLE. They gather up cars of wheat at the smaller stations and make up the trains where?

Mr. BLAIR. At the Larimore division point. The roads lead in there from the north, from the section of the country where they bring down wheat, and also from the west, and there is where the train is made up and carried forward. That is local to Crookston. Then, if they have not cars enough to make a good big train, they take those cars and come in at Larimore and make up a big train; but at Crookston, I imagine, their trains are pretty heavily loaded.

Mr. MARBLE. The cars have to be picked up by the locals or not move at all?

Mr. BLAIR. That is, at our point.

Mr. MARBLE. Did you find out why they had no locals?

Mr. BLAIR. It was on account of four to six engines being knocked out of commission there in a couple of days.

Mr. MARBLE. Do you know anything about the practice known as buying empties—paying fees to railway employees to furnish cars?

Mr. BLAIR. I understand that practice exists.

Mr. MARBLE. What gave you that understanding?

Mr. BLAIR. From the information I have gotten from parties at different stations.

Mr. MARBLE. You had a meeting of the agents of your association elevators, did you not, at which such a statement was made?

Mr. BLAIR. Very nearly a year ago.

Mr. MARBLE. What was that statement?

Mr. BLAIR. They said that we were not paying enough for them in order to get them, and that if we were paying for them, we could get them.

Mr. MARBLE. Did any agent say he was paying?

Mr. BLAIR. He said if he would have paid for them.

Mr. MARBLE. That he was not?

Mr. BLAIR. That he was not.

Mr. MARBLE. Did anyone tell you that he did pay?

Mr. BLAIR. Yes; parties told me that they had gotten cars, but they had to put up for them.

Mr. MARBLE. Who told you that?

Mr. BLAIR. One of their local agents.

Mr. MARBLE. One of your local agents?

Mr. BLAIR. One of the agents in the other company.

Mr. MARBLE. What other company?

Mr. BLAIR. I think the Duluth Elevator Company.

Mr. MARBLE. Do you know at what point?

Mr. BLAIR. In Emerado.

Commissioner HARLAN. When was that?

Mr. BLAIR. That took place about a year ago.

Commissioner HARLAN. Has any thing of that kind definitely come to your knowledge?

Mr. BLAIR. Not directly; that is only hearsay.

Mr. MARBLE. Not well enough so you have got positive evidence of it?

Mr. BLAIR. No, sir.

Mr. MARBLE. You heard such from farmers?

Mr. BLAIR. From farmers.

Mr. BUNN. Do you do business on the Northern Pacific Railway?

Mr. BLAIR. Do I?

Mr. BUNN. Yes.

Mr. BLAIR. I have had just one occasion to do business on the Northern Pacific. We are on the Great Northern. That was when they positively refused to furnish cars.

Mr. BUNN. Outside of that your business is all with the Great Northern?

Mr. BLAIR. Yes, sir; mostly.

Mr. BUNN. All the elevators you are interested in are on the Great Northern Railway?

Mr. BLAIR. Not all of them.

Mr. BUNN. What are on the Northern Pacific?

Mr. BLAIR. There are probably about a third of them on the Northern Pacific.

Mr. BUNN. Have you any evidence, sir, that your employees or any other employees have been able to pay money and get empty cars when other people could not?

Mr. BLAIR. Off which road?

Mr. BUNN. Have you any evidence on any road that people have been buying empty cars?

Mr. BLAIR. Not absolute evidence, any more than what they have told me. Whether they are lying or telling the truth, you can take it for what it is worth.

Mr. BUNN. It is purely hearsay.

Mr. MARBLE. I brought that out in direct examination very clearly.

Mr. BUNN. Have you got any employees that pretend to know any more about it than you do?

Mr. BLAIR. No, sir.

Mr. BUNN. Who is this man in your employ who made this statement that he got empties if he paid for them?

Mr. BLAIR. That is the point I spoke of at the meeting.

Mr. BUNN. Yes.

Mr. BLAIR. It was a fellow by the name of Hancock, working for the farmers' elevator.

Mr. BUNN. Was he in your service?

Mr. BLAIR. Yes, sir.

Mr. BUNN. Did you ask somebody later about that?

Mr. BLAIR. Sir?

Mr. BUNN. Did you ask somebody later about that?

Mr. BLAIR. No, sir; I have not.

Mr. BUNN. Will you ascertain if he knows any circumstances of the sort, and if he does have him advise the Commission?

Mr. BLAIR. I know something of the understanding, and——

Mr. BUNN. That is not my question. Will you see him and see if he knows anything of that sort, and, if he does, ask him to advise the Commission.

Mr. BLAIR. I may not see him right away, but I may see him in the course of a month.

Mr. BUNN. That is all.

Commissioner LANE. That is all, Mr. Blair.

(The witness was excused.)

W. P. COCKEY, called as a witness, was duly sworn and testified as follows:

Mr. MARBLE. Your name, sir, is——

Mr. COCKEY. W. P. Cockey.

Mr. MARBLE. And you reside in Minneapolis?

Mr. COCKEY. Yes, sir.

Mr. MARBLE. And what is your business?

Mr. COCKEY. We are manufacturers of lime, staves, heading, and salt; also other materials.

Mr. MARBLE. And you have had occasion during this year to make a number of carload shipments from Superior to the west, have you not?

Mr. COCKEY. Yes, sir.

Mr. MARBLE. And you have prepared a table showing the length of time those shipments, or some of them, have been in transit?

Mr. COCKEY. Yes, sir; I have a partial table.

Mr. MARBLE. You have a partial table and you brought that with you?

Mr. COCKEY. Yes, sir.

Mr. MARBLE. May I see it? (Witness hands paper to Mr. Marble).

Mr. MARBLE. This table is made up from your books?

Mr. COCKEY. Yes, sir; from the records.

Mr. MARBLE. And it correctly states the car numbers, the origin, the railroads, the destinations, the date of shipment, date and place of delivery to the Soo Line by the Northern Pacific, the time in the Northern Pacific's hands, and the date of delivery at destination, and also the time in the Soo's hands?

Mr. COCKEY. Yes, sir.

Mr. MARBLE. And all of those shipments took place from the ninth month to the eleventh month of this year?

Mr. COCKEY. Yes, sir; that table is a partial account of the shipments, taken at random. It don't represent a fractional portion of them.

Mr. MARBLE. Do you show the worst instances here?

Mr. COCKEY. No, sir; we just went through. I have a man here—a freight man here that probably can give testimony as to that better than I can. I brought him along. I just instructed him to make up a list of some of the shipments, and I did not want to take time to go through and make out some more because it would be a very long job.

Mr. MARBLE. We will examine him as to the table, then. Have you had trouble this year as to the length of time cars have been in transit?

Mr. COCKEY. A great deal, sir.

Mr. MARBLE. More this year than heretofore?

Mr. COCKEY. More than ever in the twenty years of my business experience.

Mr. MARBLE. What roads have you had trouble with?

Mr. COCKEY. Well, I might say, most all of them. But particularly the aggravated cases have been with the Northern Pacific and Soo.

Mr. MARBLE. Have you any explanation of the delays in transit—have any explanations been made to you?

Mr. COCKEY. Explanations were made to us in the tracers that we might put out after the shipment, that they could not get cars through, but they were not very frequent—those explanations. And they have ceased this year to reply to tracers. Every other year, excepting this year, one might have made a shipment of a car, and if that car was delayed, say, three or four days, we could put a tracer out if the customer wanted to know where it was, and why he hadn't got it, and we would put a tracer out and they would reply that the car was such and such a place and would arrive at such and such a time. This year they have ceased to make replies in general.

Mr. MARBLE. Have all of the railroads ceased to make replies in general?

Mr. COCKEY. I do not know. I can not say all of them, but it has been—I would say that my freight man could probably testify to that better than I could.

Mr. MARBLE. But you are experiencing more trouble this year than ever heretofore?

Mr. COCKEY. Unheard of more.

Mr. MARBLE. Have you found out what the nature of the delay was and where it took place—whether in Superior or at the division point?

Mr. COCKEY. In many instances that will show that there is some delay in getting the cars from the Northern Pacific at the junction point, called Glenwood, of the Soo road, and thereafter getting on the Soo Road. I think that table shows delays in some instances up to thirty days. Probably you notice it at the top of the column. My attention was just called to it. There is a car shipped there—Soo car No. 3372, shipped October 29—not delivered yet, sir.

Mr. MARBLE. And that car was destined where?

Mr. COCKEY. Cold Harbor, N. Dak.

Mr. MARBLE. That is all.

Commissioner HARLAN. Have you shipped much more this summer than last summer?

Mr. COCKEY. Well, sir, there has been about a 20 per cent increase, I believe, this year.

Commissioner HARLAN. How far west do your products go?

Mr. COCKEY. Oh, as far as Washington, sir.

Commissioner HARLAN. That is all.

Mr. BUNN. Are you located on the Northern Pacific tracks, in Superior?

Mr. COCKEY. We are located on what is known as terminal tracks at Superior, which is, as I understand it, a little switching road for all the railroads.

Mr. BUNN. A little switching road in which all the roads are interested?

Mr. COCKEY. Yes, sir.

Mr. BUNN. You are not directly on the Northern Pacific tracks?

Mr. COCKEY. No, sir; on this terminal.

Mr. BUNN. How many switches are there between you and the Northern Pacific tracks?

Mr. COCKEY. Between this terminal point and the Northern Pacific?

Mr. BUNN. Between your house and the Northern Pacific tracks?

Mr. COCKEY. Well, now; I could not answer that for sure, but I would say, to the best of my knowledge of that situation, I would say about two.

Mr. BUNN. I suppose considerable delays have been right there, have they not?

Mr. COCKEY. I could not say as to that, as to where the place is that they have been.

Commissioner LANE. Do you know who controls that terminal road?

Mr. COCKEY. Yes, sir; I know by hearsay and by information given to me during the last twenty years of my experience, and I think it is a commonly known fact that the various roads entering Superior, Wis., control this terminal road; in fact, I can state, sir, I have been told that by railroad people themselves.

Mr. BUNN. That is correct.

Commissioner LANE. Is that so?

Mr. BUNN. That is correct.

Mr. MARBLE. Mr. Cockey, these letters you have brought in are carbon copies of letters written by you to the agents of the railroads about these shipments, and also their replies—one or two replies from these agents?

Mr. COCKEY. They are carbon copies of tracers and such replies as we received. We do not receive any more replies. We trace also from Superior. I have not the Superior papers here, but I can testify to the fact that we have established a policy up there at our Superior plant this year to trace all shipments because of this inordinate delay, and they ceased to make any reply to the tracers this year.

Commissioner HARLAN. Have you been able to trace cars that have not yet been delivered?

Mr. COCKEY. Why, sir, we sent the tracers out, but we get no replies.

Commissioner HARLAN. Take that particular car you mentioned. Have you located it?

Mr. COCKEY. No, sir.

Mr. MARBLE. Those letters are of interest. There is one matter here I wish to bring before you, where you were notified that consignee had refused to receive cars of which you were inquiring.

Mr. COCKEY. That has occurred a number of times, Mr. Attorney, this year. That is not at all uncommon. We will make a shipment of our class of goods. They are perishable. We ship to a country merchant. I will have to make some little explanation. We are manufacturing a class of goods which is perishable in summer time, very much more so than in cold weather. The deterioration of that class of goods where the thermometer ranges around 80 to 90 degrees would be very rapid. The deterioration of that class of goods when the thermometer is 40 degrees or so below freezing point would be slow. Now, when we ship a customer that class of goods at a high temperature and he has not received that car inside of a week or ten days—for example, take North Dakota—he knows that car is worthless when he gets it, and he writes back to us and says he refuses it. I think probably something in there will show that. I do not know how many instances of that there have been.

Mr. MARBLE. Here is a letter written Mr. George C. Conn, agent of the Soo road [referring to paper].

Mr. COCKEY. Excuse me, Mr. Attorney. In that particular case you asked me about, which I did not answer, another car was put in transit by another road, in order to get it there as near as could be by that road that that letter refers to. We were instructed to put another car in transit to get the goods out there, using the other road and hoping they would get it there.

Mr. MARBLE. This letter is dated September 6, addressed to Mr. Conn, stating,

> We have the following list of cars shipped via your road containing perishable goods like lime, plaster, etc.

It gives the destination as various points in Minnesota, North Dakota, etc. Then it goes on to say—

> Some of these cars have been out long enough to have made the contents of the cars entirely worthless. Both plaster and lime will be ruined if left in a hot box car during three or four weeks in such a heated period as we have recently passed over. Besides this is very serious to us in other respects.

Our customers do not have the goods to sell and they are losing money on sales while their competitors are selling them. Even though they are reimbursed for the full amount of the invoiced price of the car, they still do not get back their loss.

We beg to ask if you can not in some way get after these cars and get them through to destination.

There are 27 cars in this list. I will ask you the approximate value of the contents of those cars?

Mr. COCKEY. Those goods we are manufacturing are a low class of goods. Well, for lime and plaster, probably, that would average $150 or $200 a car but for paper it would be a thousand dollars to a car.

Mr. MARBLE. Paper would not be perishable?

Mr. COCKEY. Paper would not be perishable? Oh, yes; paper would be perishable if it was put in a hot car—a certain kind of paper. Take goods like tar and felt and put it in a hot box car and it will melt, and it is perishable to that extent.

Mr. MARBLE. Here is a letter dated August 30, 1906, to Mr. George C. Conn, general freight agent, Soo Railway, city:

DEAR SIR: Following is copy of telegram received from Mr. Eugene Teutsch, Minot, N. Dak.: "Car 26170, Soo Line, shipped August 8, not here yet. Please trace. If you don't get car in soon, will not accept." This car contained lime, a very, very perishable article. It has been out now over three weeks, a long enough time to make almost worthless, if not entirely so, the lime. We have no doubt but that you will receive a claim from Mr. Teutsch for this lime.

Meanwhile we will ask that you kindly take the matter up and see that the car is delivered.

Do you remember that instance?

Mr. COCKEY. Yes; because he came in and made a trip all the way down here from Minot to see if he could not get us to exert influence sufficient to get that car out there, and when I explained to him that we could not do so; that we were noninfluential in a matter of this kind, he instructed us to make a shipment over another railroad, because he wished to have the goods—he had to have them, and he hoped to get one of them.

Mr. MARBLE. Have some of the cars actually spoiled in transit?

Mr. COCKEY. Oh, yes.

Mr. MARBLE. How many?

Mr. COCKEY. This question of spoiling is a matter of degree, don't you know. It is deterioration.

Mr. MARBLE. Here is a letter dated October 26, to Mr. Geo. C. Conn, Soo Railway, city:

Dear Sir: On September 26 we shipped to the Cash Bazaar, of Ashley, N. Dak., car No. Soo 20282; salt. This car has been out for very nearly a month. This firm is writing us that they are entirely out of salt, and that they will decline to receive the car unless same is delivered at once, so you will probably have a claim for this car of salt from the above-mentioned firm.

Kindly trace this at once, and show delivery.

Commissioner LANE. Suppose you put those letters in the record and just pass on as rapidly as possible.

Mr. MARBLE. All right.

(The same are received in evidence and marked "Exhibit No. 1 to Mr. Cockey's testimony.")

Commissioner HARLAN. Mr. Cockey, I understand you say that you had sustained losses by the deterioration of your products in transit.

Mr. COCKEY. Yes, sir.

Commissioner HARLAN. Now have you also sustained financia'

losses in the way of curtailing the business that you otherwise would have received if the transportation had been better?

Mr. COCKEY. Yes, sir; and a very great one. We can not measure it, but we believe that it is a very serious one.

Commissioner HARLAN. Have you been compelled to refuse orders because you could not deliver within the time stated by the customers?

Mr. COCKEY. Yes, sir; we have done that in many instances.

Commissioner HARLAN. Well, put it in a general way without going into details. Your position is that on account of poor transportation this year that it has caused you loss in two ways—first, by deterioration of your material in transit and then by loss of orders that you otherwise would have received?

Mr. COCKEY. I could answer that question; yes, sir.

Commissioner HARLAN. That is all.

Commissioner LANE. One question, Mr. Cockey. Are the complaints of nondelivery of cars based upon single instances, or is it a general complaint, so far as your shipments are concerned? Are all of the shipments delayed an unusual time this year?

Mr. COCKEY. Well, sir, as I have answered that question before, I might say that the most aggravated cases with us have been with the Soo and Northern Pacific. I would probably have a stray car with the Great Northern; but there is far more delay this year than for previous years by all the roads.

Commissioner LANE. The point I want to make is this: The railroad people seem to contend that solitary instances may be picked out where a car here and there has gone astray, and that car may take twenty, thirty, forty, and in one case we have here fifty-four, days; but that these are solitary instances and in no way to be taken as at all usual or customary at this time. What is your experience in that regard?

Mr. COCKEY. I think I have a letter here. I have an abstract here that shows about 20 cars that have been delayed anywhere from—on the various roads—anywhere from a month to six weeks.

Commissioner LANE. That is the general run of your business—that is in the general run of your business?

Mr. COCKEY. That is in the general run of our business, and then that is only a very small fractional portion of these delays. We did not attempt to make up a whole record, you know.

Commissioner LANE. Then you did not pick those out as exceptional instances of delay?

Mr. COCKEY. No, sir.

Mr. BUNN. I understood, Mr. Cockey, you to say that you did not know anything about that; that your freight man could testify as to that.

Mr. COCKEY. As to the details of that matter he can do better than I can, because I turn it over to him.

Commissioner LANE. You gave instructions, however, to go through your books and gather up some instances, and not to specify those particularly aggravated—not to pick out the aggravated cases, but to give a picture of what appears generally on the books?

Mr. COCKEY. Yes, sir; I think I did. I do not think I told him to put in that statement any cars that were not delayed at all. We ship a great many cars. We handle, for example, in some way or

other about 30 cars a day, and we would not—I did not tell him to make up a statement that did not include any delays at all because that would be of no importance, as it occurred to me.

Commissioner LANE. We want to know, then, just what percentage of delayed cars that is to the general body of your business?

Mr. BUNN. I understood the witness to say, in direct examination, that he could not tell about that, but he had a freight agent who could tell about it.

Mr. BRIGHT, of the Soo Line. Mr. Cockey, you spoke of a car destined—made mention of a car in connection with Cold Harbor. Was Cold Harbor the destination of that car?

Mr. COCKEY. I think so. That record will show.

Mr. BRIGHT. Please give me the number of that car and say if that was the destination.

Mr. COCKEY. This was car No. 3372, shipped from Superior, Northern Pacific and Soo, destination Cold Harbor, N. Dak.

Mr. BRIGHT. And the date?

Mr. COCKEY. I do not know, sir. This record will show.

Mr. BRIGHT. You do not know from memory?

Mr. COCKEY. Oh, no, sir; I do not.

Date of shipment October 29. Date and place of delivery, to Glenwood, which is the division point of Soo road, November 3. Time in hands of Northern Pacific, five days.

Mr. BRIGHT. That is enough.

Mr. COCKEY. Destination, not yet. Thirty-seven days out.

Mr. MARBLE. Is that all?

Commissioner HARLAN. I want to ask just one question. In conducting your own affairs you come in contact with merchants and dealers in other lines of business, do you not?

Mr. COCKEY. Yes, sir.

Commissioner HARLAN. In daily contact?

Mr. COCKEY. Oh, yes, sir; I say so.

Commissioner HARLAN. Have you found that there was a general complaint in your community of car shortage?

Mr. COCKEY. Yes, sir.

Commissioner HARLAN. More so this year than any other year?

Mr. COCKEY. Invariably so.

Commissioner HARLAN. And a general complaint of delay in transportation?

Mr. COCKEY. Yes, sir.

Commissioner HARLAN. That is all.

(The witness was excused.)

A. S. KASSEBAUM, called as a witness, was duly sworn, and testified as follows:

Mr. MARBLE. What is your name?

Mr. KASSEBAUM. A. S. Kassebaum.

Mr. MARBLE. And you are employed by what firm?

Mr. KASSEBAUM. The Superior Manufacturing Company.

Mr. MARBLE. And that is the firm of Mr. Cockey?

Mr. KASSEBAUM. Yes, sir.

Mr. MARBLE. Did you make up this list of cars [exhibiting paper to witness]?

Mr. KASSEBAUM. (Examining paper.) Yes, sir.
Mr. MARBLE. From what records or books of the company?
Mr. KASSEBAUM. I took it from the records we have been keeping in tracing those cars.
Mr. MARBLE. Then this is taken from the list of delayed cars?
Mr. KASSEBAUM. Yes, sir.
Mr. MARBLE. Did you pick out those delayed longest?
Mr. KASSEBAUM. No, sir; I took those just delayed—that appeared to me from the time there that they ought to have been gotten through.
Mr. MARBLE. How many cars did you have in that list of delayed cars; can you tell us?
Mr. KASSEBAUM. No, sir; I have not any idea.
Mr. MARBLE. A great many more than here?
Mr. KASSEBAUM. Yes, sir.
Mr. MARBLE. And you did not select to get those which were the longest time out?
Mr. KASSEBAUM. No, sir.
Mr. MARBLE. Will you determine and let me know this afternoon how many cars were in that list, about what the total number of shipments were during that time the list was made up, and the total cars delayed?
Mr. KASSEBAUM. Yes, sir.
Mr. MARBLE. This statement is correct according to the books?
Mr. KASSEBAUM. Yes, sir.
Mr. MARBLE. I will not stop to read it, but will ask that it be marked as an exhibit.
(The same is received in evidence and marked "Exhibit No. 1 to Mr. Kassebaum's testimony.")
Mr. BUNN. What time does this list cover?
Mr. KASSEBAUM. It covers from August 15th down to the present time.
Mr. BUNN. Down to the present time? From August 15th?
Mr. KASSEBAUM. Yes, sir.
Mr. BUNN. You shipped a great many cars during that time that there was no complaint about—so I take it?
Mr. KASSEBAUM. Yes, sir.
Mr. BUNN. And you are not prepared to say what proportion of your cars were delayed?
Mr. KASSEBAUM. No, sir; I am not.
Mr. BUNN. That is all.
Commissioner LANE. That is all.
(The witness was excused.)

A. E. SWANSON, called as a witness, was duly sworn and testified as follows:
Mr. MARBLE. You reside at Barlow, N. Dak., do you?
Mr. SWANSON. Yes, sir.
Mr. MARBLE. And you are cashier of the Securities State Bank?
Mr. SWANSON. Yes, sir; I am president.
Mr. BUNN. What town?
Mr. SWANSON. Barlow.
Mr. MARBLE. Are you familiar with the grain-buying conditions at that point—the elevator conditions?

Mr. SWANSON. Yes, sir.
Mr. MARBLE. How many elevators are there?
Mr. SWANSON. Five.
Commissioner HARLAN. How large a town is it, Mr. Swanson.
Mr. SWANSON. About 250 is the size of the town.
Mr. MARBLE. What railroad are you on?
Mr. SWANSON. The Northern Pacific.
Mr. MARBLE. Are those elevators filled with grain?
Mr. SWANSON. Yes, sir.
Mr. MARBLE. Is there any grain lying in the open air?
Mr. SWANSON. Yes, sir.
Mr. MARBLE. At how many elevators?
Mr. SWANSON. There is none at any of the elevators. I have charge of some and Mr. J. R. Engberg at others.
Mr. MARBLE. You have charge of the grain that is on the ground?
Mr. SWANSON. Yes, sir.
Mr. MARBLE. And why did you put it on the ground?
Mr. SWANSON. Because I had no other place to put it. I could not get it in the elevators.
Mr. MARBLE. You could not get cars?
Mr. SWANSON. No, sir.
Mr. MARBLE. Did you try to?
Mr. SWANSON. Yes, sir.
Mr. MARBLE. How long a time did you try?
Mr. SWANSON. I tried since the last part of October.
Mr. MARBLE. Since the last part of October?
Mr. SWANSON. Yes, sir.
Mr. MARBLE. I will show you this picture and ask if you recognize the same? [Exhibits photograph to Mr. Swanson.]
Mr. SWANSON. Yes, sir.
Mr. MARBLE. That is a correct picture of the situation?
Mr. SWANSON. Yes, sir.
Mr. MARBLE. Is your pile of grain shown in that picture?
Mr. SWANSON. Yes, sir.
Mr. MARBLE. Make an "X" mark on your pile of grain, if you will.
Mr. SWANSON. Right there [indicating].
Mr. MARBLE. How many bushels of grain are in the pile you have marked?
Mr. SWANSON. About 5,200.
Mr. MARBLE. How many bushels of grain in this other pile [indicating]?
Mr. SWANSON. About 5,000 bushels.
Mr. MARBLE. About 5,000 bushels?
Mr. SWANSON. Yes, sir.
Mr. MARBLE. How long has that grain been on the ground?
Mr. SWANSON. Since the last part of October.
Commissioner HARLAN. How many bushels of grain will those elevators hold?
Mr. SWANSON. They will hold about 150,000 bushels.
Commissioner HARLAN. How many bushels were at Barlow at the time this photograph was taken, awaiting movement?
Mr. SWANSON. The elevators were all filled.
Commissioner HARLAN. And 10,000 on the ground?

Mr. SWANSON. Yes, sir.

Commissioner HARLAN. What is the value of the grain at Barlow?

Mr. SWANSON. The value of the grain in store?

Commissioner HARLAN. Just the average value by bushels.

Mr. SWANSON. You mean in the elevators and what is on the ground?

Commissioner HARLAN. I don't mean the aggregate. What do they sell it for by the bushel at Barlow?

Mr. SWANSON. By the bushel, we sell it——

Commissioner HARLAN. What do you buy it for?

Mr. SWANSON. About 60 cents a bushel.

Commissioner LANE. How long prior to the time this picture was taken had these elevators been filled?

Mr. SWANSON. Oh, about ten days.

Commissioner LANE. About ten days?

Mr. SWANSON. Well, fifteen days.

Commissioner LANE. How much more grain is there in that immediate neighborhood and tributary to Barlow that is ready for sale and that has not been sold?

Mr. SWANSON. About 250,000 bushels.

Commissioner LANE. At this time last year how much grain was there that had not been sold and was still held by the farmers?

Mr. SWANSON. I would estimate about 100,000.

Commissioner LANE. And about 150,000 bushels more is held back this year by the farmers because of inability to sell it at Barlow. Is that what I am to understand?

Mr. SWANSON. Yes, sir.

Mr. MARBLE. I will ask that this be put in evidence and marked as an exhibit to Mr. Swanson's testimony. What is your position with the elevator company?

Mr. SWANSON. Treasurer and manager of the Farmers' Elevator Company at Barlow.

Mr. MARBLE. Have you had trouble at your elevator getting cars?

Mr. SWANSON. Yes, sir.

Mr. MARBLE. Did you get filled up early in the season?

Mr. SWANSON. Yes, sir.

Mr. MARBLE. What effect did that have on the price?

Mr. SWANSON. Put down the price. You take grain that we ordinarily buy as No. 1 has been bought as No. 2. They were obliged to sell their grain at a reduced grade, that is a lower grade of grain, and at a reduced price.

Mr. MARBLE. What would be the difference in price between No. 1 and No. 2?

Mr. SWANSON. About 3 cents.

Mr. MARBLE. So that the farmers, you say, got about 3 cents a bushel less?

Mr. SWANSON. Well, I will say some of them have.

Mr. MARBLE. Some have not lost much?

Mr. SWANSON. No.

Mr. MARBLE. Some lost more, or is that the greatest?

Mr. SWANSON. That is about the average.

Mr. MARBLE. Have conditions been growing better or worse?

Mr. SWANSON. Growing worse.

Mr. MARBLE. Is this a statement that you have prepared from your books, showing number of cars furnished your elevator this year?

Mr. SWANSON. Yes, sir.

Mr. MARBLE. And it shows up to date you have shipped 26 cars this year as against 44 last year?

Mr. SWANSON. Yes, sir.

Mr. MARBLE. That you were seventeen days without a car?

Mr. SWANSON. Yes, sir.

Mr. MARBLE. I will ask you if you had experienced failure to get cars moved after being loaded?

Mr. SWANSON. Yes, sir.

Mr. MARBLE. What experience have you had in that regard?

Mr. SWANSON. We loaded one car on the 17th day of November, and it was still on the track yesterday when I left.

Mr. MARBLE. And ready to go?

Mr. SWANSON. Yes, sir.

Commissioner LANE. A car loaded on the 17th of November that has not moved from your station?

Mr. SWANSON. Yes, sir; not moved; was there when I left there.

Commissioner LANE. How many cars—there was one car?

Mr. SWANSON. Yes, sir.

Commissioner LANE. Filled with grain?

Mr. SWANSON. Yes, sir.

Mr. MARBLE. What reason does the agent give for that failure?

Mr. SWANSON. He gives no reason whatever.

Commissioner LANE. You have repeatedly brought the matter to his attention?

Mr. SWANSON. Yes, sir; we have billed the car out.

Commissioner LANE. Have you repeatedly called attention to it?

Mr. SWANSON. Well, no; we have not called his attention to it repeatedly; he has knowledge that the car was there, by reason of billing it out at the time. We have called his attention so many times to cars being delayed that we thought it absolutely useless to say anything further.

Commissioner LANE. Is yours a competitive point? Any more than one railroad in there?

Mr. SWANSON. Not through our town; there is the Soo, within about 12 miles of our town.

Mr. MARBLE. At what town is the Soo?

Mr. SWANSON. There is Lemert, and then there is Carrington.

Mr. MARBLE. First, before we get that—have you had other cars that have been delayed in movement after being loaded?

Mr. SWANSON. Yes, sir.

Mr. MARBLE. How many?

Mr. SWANSON. We have had quite a few.

Mr. MARBLE. Have the other elevators had the same experience?

Mr. SWANSON. Yes, sir.

Mr. MARBLE. Have you had trouble with slowness of movement after they did start?

Mr. SWANSON. Yes, sir.

Mr. MARBLE. To what point?

Mr. SWANSON. To Duluth.

Mr. MARBLE. How slow was that movement then?

Mr. SWANSON. I can not exactly state; I have an instance stated there, I think. (Witness examines paper.) Loaded two cars on November 14th and have not as yet received any returns.

Mr. MARBLE. Which means that you have not been notified of their arrival at Duluth?

Mr. SWANSON. Yes, sir.

Mr. MARBLE. And those are extreme instances, are they, of delay?

Mr. SWANSON. Not particularly so.

Mr. MARBLE. You have had other experiences of the same sort?

Mr. SWANSON. Yes, sir.

Mr. MARBLE. And your neighbors also have complaints of the same sort?

Mr. SWANSON. Yes, sir.

Mr. MARBLE. What distance is it from your city to Duluth?

Mr. SWANSON. I think about 400 miles. No, it is not that much; a little over 300 miles—350 miles.

Commissioner LANE. That is a true statement from your books?

Mr. SWANSON. Yes, sir.

Commissioner LANE. Have the conditions been different at your town?

Mr. SWANSON. Yes, sir.

Commissioner LANE. What has been different?

Mr. SWANSON. At Lemert, on the Soo line, which is a small station and has 2 elevators. They have received a little more than 75 cars this year. At Guptill, 64 miles from our town and 4 miles from Carrington, which has 1 elevator and no station, they had received, from information that I have, more than 75 cars. Barlow, which has 5 elevators—loading platform—has received about 125 cars, against the number of cars they have received, compared with the elevators that they have.

Commissioner LANE. How many cars did you receive in Barlow?

Mr. SWANSON. Twenty-six cars for our elevator.

Commissioner LANE. You are not including all the cars that come to the other—to all the elevators?

Mr. SWANSON. No, sir.

Mr. MARBLE. He made a statement that there were 125.

Mr. SWANSON. One hundred and twenty-five; I made a statement for the entire shipment this fall from elevators and loading platforms—entire shipments from Barlow.

Mr. MARBLE. Do you find farmers anxious to sell wheat?

Mr. SWANSON. Exceedingly anxious.

Mr. MARBLE. Unable?

Mr. SWANSON. Yes, sir; unable to sell it.

Mr. MARBLE. No market there now?

Mr. SWANSON. No market.

Mr. MARBLE. About what portion of the time has your elevator been open for business during the last two months?

Mr. SWANSON. Our elevator, I would say, has not been open to exceed thirty full days this fall.

Mr. MARBLE. In three months?

Mr. SWANSON. Since the 1st day of September.

Mr. MARBLE. I see you are interested in the banking business—I will ask you what the effect commercially this has been, as you see it as a banker, upon merchants?

Mr. SWANSON. It has made collections an utter impossibility—demoralized trade. I have been connected with this bank for the last three years. In 1904, on the 1st day of November, our deposits were $59,511.70, our loans and discounts were $30,746.73; November 1, 1905, our deposits were $47,314.19, our loans and discounts at that time were $30,211.31; November 1, 1906, our deposits were $45,997.76, and our loans and discounts were $34,662.40. And there is a continual demand for money at the present time. The bank is unable to accommodate all the customers by reason of the car situation being as it is.

Mr. MARBLE. Is there a demand for money by farmers who have wheat to sell, and are unable to sell it?

Mr. SWANSON. Yes, sir.

Mr. MARBLE. And there are farmers paying interest who have the wheat to sell, who would be glad to sell it?

Mr. SWANSON. Yes, sir.

Mr. MARBLE. What is the coal situation at your town?

Mr. SWANSON. The coal situation has been all right up to the present time. We have had very little difficulty, but we have a number of loads on the road, which we think will reach there in plenty of time to supply the demand. I learned yesterday when I left that people tributary to New Rockford were getting very short of coal by reason of no coal at New Rockford.

Commissioner LANE. That is one of the districts we have heard from, is it not?

Mr. MARBLE. I believe it is.

Commissioner HARLAN. Your position is that the failures of the companies to move the wheat has affected the entire vicinity?

Mr. SWANSON. Yes, sir; it is.

Commissioner HARLAN. And has brought a loss of 3 cents a bushel to the farmers in the price of wheat?

Mr. SWANSON. About that. I would say that, conservatively.

Commissioner HARLAN. Besides that, it has cost them something in the way of insurance and storage?

Mr. SWANSON. And interest on money.

Commissioner HARLAN. And, in addition, I assume that there will be some loss in wheat on the ground?

Mr. SWANSON. Yes, sir.

Commissioner HARLAN. Well, what will that amount to—you have got 10,000 bushels there? What proportion will be lost if it is not moved promptly?

Mr. SWANSON. I wish to state that the entire 10,000 bushels is not there yet; only half, at the present time. There will be a loss, I would say, of 25,000 or 30,000 bushels. I would say even more than that, by reason of the jack rabbits being there at nighttime and eating it. I would say fully 50,000 bushels. I wish to add further, if I may, there has been on the side tracks at Barlow three empty cars and we have asked the agent if we could load them. He said "no;" that they were for Guptill, which was 4 miles from there on the same road; would not permit us to load them—would not permit us to load the grain that we had on the ground—that is, the cars which were on the side track yesterday.

Commissioner HARLAN. Is Guptill a town of more than one road?

Mr. SWANSON. No, sir.

Commissioner HARLAN. It is not a competitive point?
Mr. SWANSON. No, sir.
Commissioner HARLAN. One elevator there?
Mr. SWANSON. One elevator.
Commissioner HARLAN. Who owns that elevator?
Mr. SWANSON. Anderson Gage.
Commissioner HARLAN. How much would it cost you to haul grain to the nearest station on the Soo Line by wagons?
Mr. SWANSON. It would take 10 cents a bushel, depending upon the condition of the weather and the amount of snow on the ground.
Commissioner HARLAN. That makes it an impossible thing to do?
Mr. SWANSON. Yes, sir.
Mr. BUNN. Mr. Swanson, you do not wish to be understood as saying that the farmers universally sell out all their wheat in the autumn—that farmers sell out all their wheat in the fall?
Mr. SWANSON. Why, nearly all of it, yes, sir; with the exception of seed.
Mr. BUNN. Do they not always carry over considerable to spring?
Mr. SWANSON. No, sir; only enough for seed purposes.
Mr. BUNN. You think all the wheat of this country has been in previous years moved to Duluth and Minneapolis in ninety days?
Mr. SWANSON. Practically all; yes, sir.
Mr. MARBLE. He is testifying about Barlow. (To Mr. Swanson:) I understand you to mean the farmers about Barlow?
Mr. SWANSON. Yes, sir.
Mr. MARBLE. Your replies do not refer to the entire world—you are testifying about Barlow?
Mr. SWANSON. Yes, sir.
(Witness was excused.)

E. J. WEISER, called as a witness, being duly sworn, was examined, and testified as follows:

Mr. MARBLE. Your initials are?
Mr. WEISER. E. J.; yes, sir.
Mr. MARBLE. And you reside at Fargo, N. Dak.?
Mr. WEISER. Yes, sir.
Mr. MARBLE. What is your business?
Mr. WEISER. Banker:
Mr. MARBLE. What connection have you with the banking business?
Mr. WEISER. I am president of the First National Bank.
Mr. MARBLE. Of Fargo?
Mr. WEISER. Yes.
Mr. MARBLE. Have you recently made investigation into the grain selling and banking conditions throughout your State?
Mr. WEISER. We made inquiries from the country banks throughout the State as to what amount of grain, in their opinion, was still in the farmers' hands, and as to the amount of grain which has been shipped out of the country.
Mr. MARBLE. And you had a large number of replies?
Mr. WEISER. Yes, sir; about 350, I think.
Mr. MARBLE. And you brought them with you?
Mr. WEISER. Yes, sir.

Mr. MARBLE. Without stopping to read them, will you tell us what you found the conditions to be?

Commissioner HARLAN. What territory does that investigation cover?

Mr. WEISER. These cards were sent to every bank in the State of North Dakota—about 400 banks. The summary of all the replies which we got was to the effect that 38 per cent of the crop had been shipped out of the State.

Commissioner LANE. Thirty-eight per cent had been shipped?

Mr. WEISER. Yes, sir; that 33 per cent was in the country elevators and 29 per cent was in the farmers' hands.

Mr. MARBLE. Did you get complaint of car shortage and inability to ship from many points?

Mr. WEISER. Yes, sir.

Mr. MARBLE. What proportion of the points?

Mr. WEISER. I could not say as to that. It is the general cry that we hear from all country banks throughout the State.

Mr. MARBLE. Did you get different results from competitive points than you did from noncompetitive points?

Mr. WEISER. I could not say. I did not examine them closely enough.

Mr. MARBLE. Did you notice that conditions differed on one railroad from another?

Mr. WEISER. I do not know as to that. I made a list of the different counties and the amount of grain that was held in the elevators that had been shipped, but I did not compare it as to the railroads that are reached.

Commissioner LANE. Do you know whether the per cent that is held now is unusual or not?

Mr. WEISER. Yes, sir; very unusual.

Commissioner LANE. To what extent is it unusual, approximately?

Mr. WEISER. I do not think I could say as to that; I am not sufficiently familiar to say.

Mr. MARBLE. The purport of these reports was that there was an unusual amount in the farmers' hands?

Mr. WEISER. Yes, sir.

Mr. MARBLE. And that was because the farmers were unable to find a market?

Mr. WEISER. Yes, sir.

Mr. MARBLE. Did you make any investigation as to the prices received by the farmers, because of this condition?

Mr. WEISER. No, sir.

Mr. MARBLE. Have you at any point?

Mr. WEISER. No, sir.

Commissioner HARLAN. Is business affected—the banking business?

Mr. WEISER. We are pretty well in touch throughout the State of North Dakota. I think we have about one hundred and fifty of them keeping accounts with us, and whereas those banks had sixty days ago balances with us of about $600,000, to-day they have less than $300,000, and we are loaning them $300,000 in addition that we were not loaning them sixty days ago, so that it has made a difference so far as our banks are concerned of $600,000 that we have loaned to country banks.

Commissioner HARLAN. Your understanding is due to the inability of the farmers to make shipments of wheat?

Mr. WEISER. That is what they tell us.

Commissioner HARLAN. How did that condition compare to this period last year?

Mr. WEISER. We should not be loaning country banks a dollar at this time; they should all be paid up.

Commissioner HARLAN. Your position then is that the failure of the carriers to move wheat has had a very widespread effect financially on the whole thing?

Mr. WEISER. Yes, sir.

Commissioner HARLAN. Causing loss in interest; and you think it probably affects the price received by the farmer for his grain?

Mr. WEISER. I should judge so; yes, sir.

Commissioner HARLAN. And, in addition, storage charges, insurance, and possibly some loss of wheat on the ground?

Mr. WEISER. Yes, sir.

Mr. MARBLE. Have you observed at all the effect upon other lines of commerce—merchants, sellers of goods?

Mr. WEISER. Our local jobbers, for whom we carry considerable money, are in the habit of paying at this time of the year, and they have not paid us at all this year.

Mr. MARBLE. Did they tell you why?

Mr. WEISER. Yes; simply gave us the same reason—the other people around the State are not paying them up—making no collections.

Mr. MARBLE. These are the cards printed by you and sent to your correspondents, and I will read one:

FIRST NATIONAL BANK OF FARGO.

GENTLEMEN: We estimate in our territory that 40 per cent of the 1906 crop is still in the farmers' hands; 35 per cent is in local elevators; 25 per cent has been shipped.

SECURITY BANK OF DAZEY,
Dazey, N. Dak.

Mr. MARBLE. These are the cards received by you?

Mr. WEISER. Yes, sir.

Mr. MARBLE. May we take them and tabulate them?

Mr. WEISER. Yes, sir; you may take this, Mr. Marble. That simply divides the State into counties and shows the amount in the elevators, and the percentage of them.

Mr. MARBLE. This is a tabulation by counties, which we will put in without stopping to read.

Mr. WEISER. Yes, sir.

Mr. BUNN. Mr. Weiser, is it not, generally speaking, true that it pays to carry wheat over winter?

Mr. WEISER. I am not a wheat man; I do not know.

Mr. BUNN. I thought you were a banker. Do you not know, as a banker, that is so?

Mr. WEISER. I know that few farmers in North Dakota are in a position to carry their wheat over the winter?

Mr. BUNN. Do you not know that the price of wheat in the spring in this country is usually enough higher to more than pay the insurance and storage charges of carrying it, etc.?

Mr. WEISER. I do not know.
Mr. MARBLE. The farmers are being benefited against their will?
Commissioner LANE. Is it on that account, Mr. Bunn, that the railroad does not move the wheat?
Mr. BUNN. No, sir.
(Witness was excused.)

I. H. HARRIS, called as a witness, being duly sworn, was examined, and testified as follows:
Mr. MARBLE. Mr. Harris, you reside at Bathgate, N. Dak.?
Mr. HARRIS. Yes.
Mr. MARBLE. You are in the grain business at that point?
Mr. HARRIS. Grain and coal.
Mr. MARBLE. You own grain elevators?
Mr. HARRIS. Yes, sir.
Mr. MARBLE. How many?
Mr. HARRIS. Two at Bathgate.
Mr. MARBLE. Have your elevators been filled at all this year?
Mr. HARRIS. They have been filled since the first of October, practically—that is, most of the time.
Mr. MARBLE. Have you had difficulty getting cars?
Mr. HARRIS. I have.
Mr. MARBLE. Have you had any grain on the ground?
Mr. HARRIS. No, sir; I found it was a losing game to put grain on the ground, and that one of the elevators I bought was owned by private parties, and they lost it by putting grain on the ground.
Mr. MARBLE. You consider that a losing proposition for the man that puts grain on the ground?
Mr. HARRIS. Yes, sir.
Mr. MARBLE. You could have bought grain and put it on the ground?
Mr. HARRIS. We could.
Mr. MARBLE. Has there been a market at your station all the year?
Mr. HARRIS. Yes, sir.
Mr. MARBLE. There have been other elevators buying it?
Mr. HARRIS. Yes, sir.
Mr. MARBLE. You got blocked before the rest of them?
Mr. HARRIS. I did, practically, yes. I was not entirely filled, but you have different grades of grain, and you can not put number one and rejected wheat together; some bins were empty and some were filled.
Mr. MARBLE. You have had how many cars this year?
Mr. HARRIS. I have had 18 cars for the two elevators.
Mr. MARBLE. Do you know how many you had last year for the same period?
Mr. HARRIS. Well, we had a partial failure, we had last year. I did not look it up to see the record last year.
Mr. MARBLE. Have you tried to get more cars?
Mr. HARRIS. I have tried every source that I could think of.
Mr. MARBLE. What railroad are you on, Great Northern?
Mr. HARRIS. Yes.
Mr. MARBLE. Have you written the officials of the road?
Mr. HARRIS. Yes, sir.
Mr. MARBLE. And the State railroad commissioners?

Mr. HARRIS. I have.
Mr. MARBLE. Did you get cars more freely after writing?
Mr. HARRIS. I did not.
Mr. MARBLE. Has anyone in your town been better able to get cars than you?
Mr. HARRIS. Yes; the mill. The mill has had at least four cars to my one.
Mr. MARBLE. The mill is kept running?
Mr. HARRIS. Is kept running night and day.
Mr. MARBLE. Have you noticed empty cars waiting for loading at times when you could not get them?
Mr. HARRIS. I have.
Mr. MARBLE. Did you try to get them?
Mr. HARRIS. Yes, sir; a car set one week right in front of my elevator empty and they would not let me have it. They said it was not my turn.
Mr. MARBLE. A car set there one week?
Mr. HARRIS. Yes, sir.
Mr. MARBLE. How far are you from Duluth?
Mr. HARRIS. About 380 miles, I should say, or 370 miles.
Mr. MARBLE. The round trip would be 740 miles, or about 4 miles an hour would have taken that car to Duluth and back again in the time you say it has stood there?
Mr. HARRIS. One car was on the road there a week—coming in and getting loaded and getting out, an 80,000-pound car.
Mr. MARBLE. Stood there after being loaded?
Mr. HARRIS. Stood there one week after being loaded and before it was taken out; or stood there four days empty before they would let me load it; and I loaded it, and it stood there two or three days after that.
Mr. MARBLE. Have you had other experience with cars standing in that way?
Mr. HARRIS. I have.
Mr. MARBLE. After being loaded?
Mr. HARRIS. I do not think there has been any great delay of loaded cars, excepting that one.
Mr. MARBLE. How about the length of time in transit?
Mr. HARRIS. Well, I can not say that my cars have been unusually long; that is, probably ten days, some of them, but I usually figure on a week in getting them to Duluth and weighed.
Mr. MARBLE. Your cars have gone through in eight or ten days?
Mr. HARRIS. They have, most of them.
Mr. MARBLE. Three hundred and seventy miles.
Mr. HARRIS. Yes, sir.
Mr. MARBLE. You are on a branch line, are you not?
Mr. HARRIS. It is now called a branch line; it used to be the main line between Grand Forks and Winnipeg.
Mr. MARBLE. Does wheat from Canada come past you?
Mr. HARRIS. It has.
Mr. MARBLE. Much?
Mr. HARRIS. They have no trouble getting cars up there. I have been told by a man that is buying grain there that they get all the cars they want.

Mr. MARBLE. In Canada?

Mr. HARRIS. Yes.

Mr. MARBLE. But you can not get the cars on this side of the line?

Mr. HARRIS. If they are not brought in and loaded at Neche; could not get them because they wanted them in Manitoba.

Mr. MARBLE. Has there been construction work on that line?

Mr. HARRIS. Yes, sir; there has been whole train loads of ties and bridge materials and rails passing our place—train loads of them going up into Manitoba. The box cars are left empty to be loaded back with wheat.

Mr. MARBLE. Can you compare conditions at competitive and noncompetitive points?

Mr. HARRIS. I could not from personal knowledge.

Mr. MARBLE. Has your experience in regard to car supply been worse this year than last?

Mr. HARRIS. I have been shipping for eighteen years, and I never saw anything like it.

Mr. MARBLE. Have you had as many cars as in previous years?

Mr. HARRIS. I have had 37 in one month in previous years, and I have had 18 cars all told at the elevator this year. At one elevator they positively refused to give me cars.

Mr. MARBLE. Why?

Mr. HARRIS. They would give me no reason.

Mr. MARBLE. You are in the coal business also?

Mr. HARRIS. Yes, sir.

Mr. MARBLE. What is the coal situation in your town?

Mr. HARRIS. The town has been practically out of coal for the last ten days. I think it was ten days ago that I sold the last coal I had.

Mr. MARBLE. You have more in transit?

Mr. HARRIS. I have more ordered, but I have no notice of it being shipped yet. The coal companies tell me that they have more orders than they can fill. Some turned it down, and others booked my orders, saying they would ship as soon as possible.

Mr. MARBLE. When did you begin to order coal?

Mr. HARRIS. Why, I filled my storage bins in June—last June—and then I held that as a reserve, in case cars did not arrive promptly in the fall. Our principal business is in September and October, when it begins to get cold weather, and at that time we sometimes, if the cars do not arrive that we have ordered begin to take out of storage. Storage is ordinarily held at our elevators—the Duluth Elevator Company——

Mr. MARBLE. Have they a supply of coal?

Mr. HARRIS. They are out. I know the Duluth people filled theirs early in the spring, thinking there was going to be a coal strike.

Commissioner LANE. What place is that?

Mr. HARRIS. Bathgate, N. Dak.

Commissioner LANE. You can not be criticised, then, for not preparing, so far as you have storage capacity?

Mr. HARRIS. No, sir.

Commissioner LANE. And when did you begin to order again?

Mr. HARRIS. Why, the 1st of September, and in August; I ordered coal in August.

Commissioner LANE. Did you get that coal?

Mr. HARRIS. I got that coal quite promptly; yes, sir.
Commissioner LANE. Coal ordered in September you received?
Mr. HARRIS. I did.
Commissioner LANE. When did you cease to receive coal?
Mr. HARRIS. The last car I received was about the 1st of this month—it was ordered on the 24th of October, and it was the 1st of December before it came into Bathgate.
Commissioner LANE. Do you know how long it was in transit?
Mr. HARRIS. I do not think it was over four days.
Commissioner LANE. Cars can go over the road in short time?
Mr. HARRIS. Yes, sir.
Commissioner LANE. That is all.
Mr. MARBLE. Did I ask you as to the effect of the shortage on the price of grain in your town?
Mr. HARRIS. You did not.
Mr. MARBLE. What has been the effect?
Mr. HARRIS. Elevators have all bought on a higher margin than they ever did before, since I have seen in the grain business.
Mr. MARBLE. You have bought on a wider margin?
Mr. HARRIS. I have. I wish to say we have bought on a 6-cent margin part of the time, and then on a 2-cent margin early in the month, which was about our usual margin, until we found that the car situation was bad. I had wheat sold for November, and I had to buy wheat at Duluth the 1st of December to fill the obligation. Those things, with insurance, interest on the money—all have to be taken into consideration, so we have to borrow on a larger margin.
Commissioner HARLAN. What was that margin last year?
Mr. HARRIS. About 2 cents.
Commissioner HARLAN. This year?
Mr. HARRIS. Five or 6 cents.
Mr. MARBLE. The farmers get that much less for their grain?
Mr. HARRIS. Yes, sir.
Mr. MARBLE. Do the farmers want to sell their grain?
Mr. HARRIS. Yes, sir.
Mr. MARBLE. You find them offering it—anxious to sell it?
Mr. HARRIS. Yes, sir; but the whole town has not been blocked. The mill takes grain at all times and there is one large elevator there with 100,000 bushels capacity that has not been filled. The others have been filled.
Mr. MARBLE. That is all.
Commissioner HARLAN. Has this affected generally the conditions in trade in your community?
Mr. HARRIS. Well, sir, I can not say that it has, because the farmers could sell and get their money whenever they brought their grain in, so, far this fall. There are seven elevators there and a mill. This makes quite a large storage capacity, and they have been able to sell. If they could not sell at one house, they go to the other.
Commissioner HARLAN. So that the general effect is simply difference in price?
Mr. HARRIS. That is all.
Commissioner HARLAN. That is all.
(Witness was excused.)

CHARLES D. MCCANNA, called as a witness, being duly sworn, was examined and testified as follows:

Mr. MARBLE. Your name is Charles McCanna?

Mr. MCCANNA. Yes, sir.

Mr. MARBLE. Where do you reside?

Mr. MCCANNA. At McCanna, N. Dak.

Mr. MARBLE. What is your business?

Mr. MCCANNA. Farming.

Mr. MARBLE. Are you engaged in the grain business also?

Mr. MCCANNA. Just farming.

Mr. MARBLE. You ship your own grain?

Mr. MCCANNA. Why, we ship when we can.

Mr. MARBLE. You ship it when you can?

Mr. MCCANNA. Yes.

Mr. MARBLE. Rather than sell to elevators?

Mr. MCCANNA. Yes, sir.

Mr. MARBLE. What has been your experience this year in getting cars?

Mr. MCCANNA. We could not get them. We got one car ourselves this year.

Mr. MARBLE. How many did you try to get?

Mr. MCCANNA. We had a standing order for two cars a day for three weeks. We got one car in that time.

Mr. MARBLE. You raise grain, yourself, sufficient to justify that sort of an order?

Mr. MCCANNA. Yes, sir.

Mr. MARBLE. Do you know why you did not get them?

Mr. MCCANNA. Only they did not have them—that is the only excuse they gave.

Mr. MARBLE. Have the elevators in your town got plenty of cars?

Mr. MCCANNA. No, sir; they have not.

Mr. MARBLE. How many elevators are there?

Mr. MCCANNA. There are two elevators that are operating at the present time—three elevators there, but one is not running.

Mr. MARBLE. One is closed down?

Mr. MCCANNA. Yes, sir.

Mr. MARBLE. Have they been full of grain?

Mr. MCCANNA. Yes, sir.

Mr. MARBLE. Blocked?

Mr. MCCANNA. Blocked most all the fall.

Mr. MARBLE. There has been no market at your town?

Mr. MCCANNA. Practically none. They were blocked up to the first two or three weeks in September, and since then, once or twice, they have been able to carry small amounts, but it has been closed most of the fall—about two-thirds of the time.

Mr. MARBLE. What has been the effect on the grain market at your town?

Mr. MCCANNA. Well, it is perhaps knocked out about a cent—between a cent and 2 cents—lower.

Mr. MARBLE. Your neighbors had the same experience as you getting cars?

Mr. MCCANNA. Well, the most of them shipped through the elevators, but they can not get them at the elevators there.

Mr. MARBLE. Farmers wanting to sell grain can not find any market?

Mr. MCCANNA. Had to store their grain in granaries. Have had a certain amount in elevators, but not nearly sufficient. They have had to store considerable.

Mr. MARBLE. They desire to sell?

Mr. MCCANNA. Yes, sir.

Mr. MARBLE. Do you know about the coal situation in your town?

Mr. MCCANNA. The coal situation has not been so bad there. We got a car of coal the day I left there, but up to that time, for three or four days, they have been without coal.

Mr. MARBLE. You are not a coal dealer?

Mr. MCCANNA. No, sir.

Mr. MARBLE. You do not ship your own coal?

Mr. MCCANNA. No, sir.

Mr. MARBLE. What railroad are you on?

Mr. MCCANNA. The Great Northern.

Mr. MARBLE. That is not a competitive point?

Mr. MCCANNA. No.

Mr. MARBLE. Are there competitive points near you?

Mr. MCCANNA. No; there are not.

Mr. MARBLE. That is all.

(The witness was excused.)

F. H. DICKINSON, called as a witness, being duly sworn, was examined and testified as follows:

Mr. MARBLE. Your name is what?

Mr. DICKINSON. F. H. Dickinson.

Mr. MARBLE. You reside at Ayre, N. Dak.?

Mr. DICKINSON. Yes, sir.

Mr. MARBLE. What is your business, Mr. Dickinson?

Mr. DICKINSON. Farming, now.

Mr. MARBLE. Farming?

Mr. DICKINSON. Principally; yes, sir.

Mr. MARBLE. Are you in the grain-buying business at all?

Mr. DICKINSON. I have been, in previous years, but I am not doing any of it now.

Mr. MARBLE. Do you ship your own grain?

Mr. DICKINSON. Yes, sir.

Mr. MARBLE. What experience have you had this year in getting cars?

Mr. DICKINSON. Well, I have been unable to get any at all very recently. In the last ten days we have been getting some cars.

Mr. MARBLE. Getting enough the last ten days?

Mr. DICKINSON. Yes, sir; all we could fill on account of the bad weather—roads are very bad now.

Mr. MARBLE. Considerable snow up there?

Mr. DICKINSON. Yes, sir.

Mr. MARBLE. Previously, before the storm, you could not get cars?

Mr. DICKINSON. No, not until about ten days ago. I asked for one car early in the season, then from that up until within ten days ago we had been unable to get cars.

Mr. MARBLE. Had none at all?

Mr. DICKINSON. No, sir; none at all.

Mr. MARBLE. What road are you on?

Mr. DICKINSON. The Great Northern.

Mr. MARBLE. How many cars did you try to get?

Mr. DICKINSON. Well, I had an order in for cars all the while. You mean how many cars we could have used?

Mr. MARBLE. Yes; how many did you need?

Mr. DICKINSON. Well, if I were to have shipped all the grain that I raised, I would have shipped about 18,000 bushels of grain.

Mr. MARBLE. You wanted to ship it all?

Mr. DICKINSON. Yes; that is, I would have some left, but, of course, I mean that is what I would have shipped if I could have got cars.

Mr. MARBLE. You had shipped about 1,000 bushels up until the time ten days ago?

Mr. DICKINSON. I shipped about 1,200 bushels.

Mr. MARBLE. Are there elevators at your point?

Mr. DICKINSON. Yes, sir.

Mr. MARBLE. Have they been buying grain all season?

Mr. DICKINSON. Well, they have been in the market to buy, but they have been filled up.

Mr. MARBLE. So that there has not been any market, or have they been buying and putting on the ground?

Mr. DICKINSON. No; have not been putting any on the ground there. I have got the data here. From the 23d day of September to the 24th day of October the elevators told me there they did not have any cars and they were not taking any grain; that is, a large portion of that time they were filled up—their capacity was full, and they were unable to ship on account of no cars.

Mr. MARBLE. Do you know what the effect on the price in your town has been?

Mr. DICKINSON. I do not know as I do.

Mr. MARBLE. You have not been selling to elevators then?

Mr. DICKINSON. I have sold some, but very little; my grain has been—I built a number of granaries and bins. I have now about 5,000 bushels—4,500 bushels up in open bins; but we are commencing to draw out of that now to fill the cars, as fast as we can get them. The roads are so bad we could make very little progress now. I did not sell to elevators. I do not usually sell much grain to the elevators if we can ship it, but this season I could not ship it, and while I may have possibly to put more in the elevator this year, it was because I could not get cars to ship the grain out; and I have no doubt but what it affected the price, and I thought it was policy to make bins, and I have not only built two pretty good-sized granaries but have built a number of bins to store grain in.

Mr. MARBLE. But would have shipped it if you had had the cars?

Mr. DICKINSON. Yes, sir.

Mr. MARBLE. You are not a coal dealer?

Mr. DICKINSON. No, sir.

Mr. MARBLE. What is the coal situation at your town?

Mr. DICKINSON. The coal situation is pretty bad. We have not had any coal for about four weeks and there was not a ton of coal in the town when I left there, and I had a long talk with one of the dealers there and he was pretty indignant over it—had quite a conversation with him. I can tell you that, if you want to hear it.

Mr. MARBLE. Tell us what that was—what that statement was?

Mr. DICKINSON. I knew I was coming down here. It was the Farmers' Elevator agent that told me this. It seems to me that he put in an application for a site to build a coal shed on—to the railroad company—and the matter was delayed. He wrote several times about it, but never got any answer, and the last time he tells me he wrote he urged them to give him a site, so that he could get up a shed and get it filled with coal, and he never got any reply from them. He had ordered coal then, and he got one car on the 21st day of October, and at that time he had two or three cars ordered, but they have not arrived yet, and then, I think, day before yesterday, or just before that, he got word from the company that they were doing all they could to hurry this site. It was the division superintendent who was talking—he was doing all he could to hurry this matter of a site there to be settled, so that they could put up their coal shed; but he has only had this coal that arrived on the 21st of October. He had two cars ordered at that time, but they have not arrived yet.

Mr. MARBLE. Any suffering in your place for want of coal?

Mr. DICKINSON. Why, I do not think there has been any suffering yet, but if we do not get some coal soon there is liable to be suffering soon.

Mr. MARBLE. Your coal dealer tried to get a site for a coal room——

Mr. DICKINSON. He has not got that yet.

Mr. MARBLE. He does not need it very badly now?

Mr. DICKINSON. Well, he has been shy of coal since the middle of November. He sold the balance of coal out. I have had three or four different farmers come to me—I have two lots of coal—standing in the back—I have been using that. I have had four different farmers come to me to buy that coal. I told them when they got to freezing to come and get some of it. I do not think there is any suffering yet. Most of our farmers lay in their supply of fuel early in the winter and have had orders in to take out their coal, but it has not arrived. I got mine pretty early, and a number of others did also. I have not heard of any case where they have suffered. They are beginning to get a little anxious.

Mr. MARBLE. Do you know whether these cars have been in transit or whether they have not been shipped at all?

Mr. DICKINSON. I do not know about that.

Mr. MARBLE. Is there anything you wish to offer?

Mr. DICKINSON. I do not think there is.

Mr. MARBLE. That is all.

(The witness was excused.)

Commissioner LANE. I have received some more telegrams. One is from Danville, N. Dak., which reads:

INTERSTATE COMMERCE COMMISSION, *Minneapolis, Minn.*:

Dealers have had no coal for three weeks. Twelve tons railway coal have been parceled out in two and five hundred pound lots. Thirty tons railway coal now in cars. Permission to use it if necessary. Some suffering. Only those absolutely without fuel furnished with railway coal. In case of blizzard continuing several days, there will be intense suffering. Seventy-five per cent of the people have only enough to last five or six days.

ED. T. PIERSON.

The telegram does not say that permission has been given, but I presume that is the meaning of it. I shall telegraph to Mr. Pierson,

who sends this telegram, notifying him of the promise of the railroad company to relieve that situation.

I also have a telegram from———, N. Dak., as follows:

INTERSTATE COMMERCE COMMISSION, *Minneapolis, Minn.*:

Three cars of soft coal; one hard in store. Last four days. Railway has 65 tons in store. No suffering reported. This coal just received.

F. R. CRUDEN.

And another dated Hanna, N. Dak.

DECEMBER 18, 1906.

INTERSTATE COMMERCE COMMISSION, *Minneapolis, Minn.*:

No coal in store here by dealers. No railroad coal in store in bins or cars. Some families without fuel. Will be great deal suffering if we do not get relief within few days.

W. F. HALL, *Postmaster.*

CANDO, N. DAK., *December 18, 1906.*

INTERSTATE COMMERCE COMMISSION, *Minneapolis, Minn.*:

No coal in store. General supply will last few days. One car yesterday—distributed among over eighty families. Twenty tons railway coal. No coal in store in cars. Numbers in town and country burning wood.

C. B. MCMILLAN.

HILLSBORO, N. DAK., *December 17, 1906.*

INTERSTATE COMMERCE COMMISSION, *Minneapolis, Minn.*:

One hundred and seventy-five tons hard coal. Eighty soft coal here. Supply will only last two weeks. No coal stored in cars. Estimate 230 tons railway coal here. No suffering here or surrounding country yet.

K. R. CARLEY.

HARVEY, N. DAK., *December 18, 1906.*

INTERSTATE COMMERCE COMMISSION, *Minneapolis, Minn.*:

There is no coal in store in this city. Five cars received to-day. Will be gone in twenty-four hours, consumers. No prospect for more to-morrow.

HARVEY FARMERS CO-OP. ASSN.

A. E. EGELAND, called as a witness, being duly sworn, was examined and testified as follows:

Mr. MARBLE. What is your name?

Mr. EGELAND. A. E. Egeland.

Mr. MARBLE. And you reside at Bisbee, N. Dak.?

Mr. EGELAND. Yes, sir.

Mr. MARBLE. On what railroad is that?

Mr. EGELAND. It is at the intersection of the Great Northern and the Soo Line.

Mr. MARBLE. You are at a competitive point?

Mr. EGELAND. Yes, sir.

Mr. MARBLE. What is your business?

Mr. EGELAND. Banker.

Mr. MARBLE. Where is your bank located?

Mr. EGELAND. Bisbee.

Mr. MARBLE. And you are interested in other banks as well?

Mr. EGELAND. Yes, sir.

Mr. MARBLE. Are you interested in the grain business, also?

Mr. EGELAND. No, sir.

Mr. MARBLE. Have you had plenty of cars at Bisbee this year?

Mr. EGELAND. Enough to keep the elevators open. Not enough to supply the demands of the farmers and the independent shippers.

Mr. MARBLE. Have the farmers and independent shippers had to go without, then?

Mr. EGELAND. Yes, sir.

Mr. MARBLE. But the elevators have been kept open?

Mr. EGELAND. Yes, sir.

Mr. MARBLE. Do you know what effect the shortage has had upon the market?

Mr. EGELAND. Why, the prices have been about 4 cents lower at Bisbee than they should have been under ordinary circumstances.

Mr. MARBLE. About 4 cents lower than they would have been if there had been transportation facilities?

Mr. EGELAND. Yes, sir.

Mr. MARBLE. The farmers lost that?

Mr. EGELAND. Yes, sir.

Mr. MARBLE. You have near-by noncompetitive points on these roads, have you not?

Mr. EGELAND. Yes, sir.

Mr. MARBLE. What has been the car situation at the noncompetitive points?

Mr. EGELAND. They have had no cars, practically.

Mr. MARBLE. Worse than at Bisbee?

Mr. EGELAND. Yes, sir.

Mr. MARBLE. Now, do you speak of both these railroads when you say that?

Mr. EGELAND. Why, yes, I think so.

Mr. MARBLE. Both of them have served Bisbee better than the noncompetitive points?

Mr. EGELAND. On either line?

Mr. MARBLE. Yes.

Mr. EGELAND. No, I would not say that. Bisbee has an unusually large elevator capacity, which may in some measure account for the fact that they have been able to buy grain, whereas there are points that have only one elevator, that have not been able to get the cars they need.

Mr. MARBLE. You think, so far as car shortage is concerned, they have all been treated alike?

Mr. EGELAND. Practically so.

Mr. MARBLE. You have made loans on wheat, have you not?

Mr. EGELAND. Yes, sir.

Mr. MARBLE. More than usual?

Mr. EGELAND. Why, no. Less than usual, because I have found that my loans on wheat have usually been through men that wanted to ship, and they would have a carload or two to ship at a time and we would get the bills of lading, and that would cancel our loan; but this year, on account of the car shortage, they could not make independent shipments, and for that reason we felt they would be hauling their wheat and selling a load here and there and we did not care to make that kind of loans; and we would make loans on other securities rather than make it on the wheat.

Mr. MARBLE. You consider wheat not as good security this year as when farmers could get cars?

Mr. EGELAND. Yes, sir.
Mr. MARBLE. And declined to loan money to farmers on wheat?
Mr. EGELAND. Yes, sir.
Mr. MARBLE. Have you loaned on wheat at noncompetitive points?
Mr. EGELAND. Yes; I have loaned on storage tickets.
Mr. MARBLE. Storage tickets?
Mr. EGELAND. We always loan on storage tickets.
Mr. MARBLE. On Durum wheat?
Mr. EGELAND. Yes, sir; and any grain in storage.
Mr. MARBLE. Have you yourself tried to get cars to ship out wheat which had been hypothecated to you?
Mr. EGELAND. Yes; in one instance.
Mr. MARBLE. Tell us about that effort that you made.
Mr. EGELAND. A farmer placed wheat in store at a town about 3 miles north of Bisbee, on the Great Northern. This was on the 22d or 24th of September. He immediately placed an order for a car, so that he could ship it. After a while, when he saw that he did not get any cars, he came to me and borrowed some money and put the storage ticket up as collateral, and after about six weeks, I think, from the time when he had stored his wheat he came again and asked me to assist him to get a car. I took the storage ticket and claimed the wheat as mine and tried to get the cars. That is a little over a month ago. I have not got any yet. Last Saturday before I left I telephoned to the elevator to sell that wheat, as we did not care to pay storage on it any longer, as there was no prospect of getting cars.
Mr. MARBLE. That resulted in a loss to the farmer in the sale of that wheat, did it not?
Mr. EGELAND. It will result in a loss of about 10 cents a bushel in this particular instance.
Mr. MARBLE. As well as the interest charged?
Mr. EGELAND. I think so.
Mr. MARBLE. You contemplated hauling that into Bisbee in wagons at one time?
Mr. EGELAND. I did; I threatened that, if they could not get a car at the point of storage, I would haul it to Bisbee, about 3 miles, and get a car from the Soo.
Mr. MARBLE. Do you think you could do that?
Mr. EGELAND. Yes, sir.
Mr. MARBLE. Did you know that you could?
Mr. EGELAND. Yes, sir.
Mr. MARBLE. Why did you not do it?
Mr. EGELAND. The snowstorms and the roads got so bad that it was practically impossible to haul it.
Mr. MARBLE. Have farmers sold wheat to line elevator companies here who otherwise would have shipped if they could get cars?
Mr. EGELAND. Yes, sir.
Mr. MARBLE. Have you heard talk of that sort?
Mr. EGELAND. Yes, sir.
Mr. MARBLE. Farmers resented it?
Mr. EGELAND. Yes, sir.
Mr. MARBLE. They did not want to sell to line elevators?
Mr. EGELAND. Preferred to ship.
Mr. MARBLE. But they have had to sell to line companies?
Mr. EGELAND. Yes, sir.

Mr. MARBLE. The last thirty days you have had a snowstorm?

Mr. EGELAND. Practically, we have had a continual blizzard for thirty days.

Mr. MARBLE. What has the effect been generally, on business conditions, of this car service failure, as you see them at your bank?

Mr. EGELAND. No collections have been made, no sales to merchants to speak of, as they should be this time of the year, on account of farmers having no money. The merchants can not collect, the machinery dealers can not collect, the machinery dealers borrow money, and the farmers borrow money. We have had an exceptional call for loans and funds. Deposits are going down, whereas the opposite should be the fact at this time of the year.

Mr. MARBLE. That is all.

Mr. BRIGHT. You do not mean to say that all the farmers out there prefer to ship in their grain, or desire to ship it in, independently?

Mr. EGELAND. Yes; I think that anyone who has grain enough to make a carload or two cars.

Mr. BRIGHT. I know; but the great majority of farmers prefer to haul grain and sell it to the elevators.

Mr. EGELAND. Not if they can get the cars themselves.

Mr. BRIGHT. You do not know that, do you?

Mr. EGELAND. I have heard a great deal of talk to that effect.

Mr. MARBLE. They sometimes start farmers' elevators, do they not?

Mr. EGELAND. There is some talk of that at the present time.

Mr. MARBLE. Even with that they prefer to ship a good many cars themselves?

Mr. EGELAND. I do not know that they would. Still some would who live close to hand and who can deliver wheat from the machine direct to the cars.

Commissioner HARLAN. Do you know about what the total production of grain was in your county this year?

Mr. EGELAND. I do not.

Commissioner HARLAN. What was it last year?

Mr. EGELAND. The number of bushels?

Commissioner HARLAN. Yes.

Mr. EGELAND. I could not say as to the number of bushels, but the crop last year, I think, was about 20 bushels to the acre—an average crop last year.

Commissioner HARLAN. You do not know, then, what the aggregate was?

Mr. EGELAND. No; I could not say.

(The witness was excused.)

R. M. VIGNESS, called as a witness, being duly sworn, was examined and testified as follows:

Mr. MARBLE. You reside at Grafton, N. Dak.?

Mr. VIGNESS. Yes, sir.

Mr. MARBLE. What is your business?

Mr. VIGNESS. At the present time, county treasurer; my business has been a farmer.

Mr. MARBLE. Are you familiar with the shipping situation at your point?

Mr. VIGNESS. To a certain extent; yes.

Mr. MARBLE. Have you had plenty of cars this year?

Mr. VIGNESS. No, sir; the car shortage is a very serious question with us over in Grafton.

Mr. MARBLE. What railroad are you on?

Mr. VIGNESS. The Great Northern and the Union Pacific.

Mr. MARBLE. A competitive point, then?

Mr. VIGNESS. Yes.

Mr. MARBLE. Have your elevators been filled with wheat this year?

Mr. VIGNESS. Yes; they have been comparatively so, although the mill is the worst off. The mill can not get cars to ship away the flour. It has got at present 17 orders—for 17 carloads—of flour; that is for small towns out around in the Northwest there.

Mr. MARBLE. Is the mill closed down?

Mr. VIGNESS. Yes; closed down Saturday when I left.

Mr. MARBLE. Because they can not get cars?

Mr. VIGNESS. Yes, sir.

Mr. MARBLE. Any of the elevators closed down?

Mr. VIGNESS. No; the elevators have been kept going pretty well.

Mr. MARBLE. Have farmers had trouble in getting cars to ship their grain?

Mr. VIGNESS. Oh, yes; farmers can not get hardly any cars at all. I was trying to get some myself, but could not get any. Some have been fortunate enough to get them.

Mr. MARBLE. You could not get any?

Mr. VIGNESS. No.

Mr. MARBLE. What did you do with your grain?

Mr. VIGNESS. Hauled into a granary.

Mr. MARBLE. Stored it?

Mr. VIGNESS. Yes.

Mr. MARBLE. Do you ship your grain from Grafton?

Mr. VIGNESS. I have shipped it, but for the last two years I have not been able to get cars; but usually before I have shipped it, until the last two years.

Mr. MARBLE. Well, did you ship it this year?

Mr. VIGNESS. No; I sold it to the elevators.

Mr. MARBLE. You would have shipped it if you had had cars?

Mr. VIGNESS. I would have shipped it from the machine. I do not generally do that, but this year I could get no cars.

Mr. MARBLE. How much grain do you raise?

Mr. VIGNESS. This year we had a light crop, and I only have a half section of land myself.

Mr. MARBLE. Do you know what difference it makes to you in the price?

Mr. VIGNESS. It made a difference of 4 or 5 cents.

Mr. MARBLE. Other farmers had the same experience?

Mr. VIGNESS. Yes, sir.

Mr. MARBLE. And the elevators do not get cars enough, or do they?

Mr. VIGNESS. No; they do not, and those that they have loaded have not been moved. There were three cars on the track Saturday that were loaded and have been there since about the 4th of December.

Mr. MARBLE. Loaded on the 4th of December and not moved?

Mr. VIGNESS. One on the Northern Pacific and two on the Great Northern.

Mr. MARBLE. Have you made a memorandum of any other instances of that sort?

Mr. VIGNESS. No; I can give you the number of these cars on the track, those three, if you want them. Mr. Anderson, he is—he is the local buyer who loaded one car; his car number is 4274, December 4; and this is still at Grafton.

Mr. MARBLE. What is the road on that car?

Mr. VIGNESS. Great Northern.

Northern Pacific car 3837, December 6; still in Grafton. Then he shipped one to St. Cloud November 3, and he got returns December 1. There have been quite a number a long time on the road always.

Mr. MARBLE. Is there a general complaint of slowness of movement?

Mr. VIGNESS. Yes; it is, as a rule, very slow. He says he would have lost. He said he had a big margin, but he just about lost it. He had to borrow money in order to keep up his trade; pay for his wheat.

Mr. MARBLE. So that the buyer did not really make this large margin, but lost it because of the bad condition he met with in disposing of the wheat?

Mr. VIGNESS. Yes, sir.

Commissioner HARLAN. What was his margin?

Mr. VIGNESS. Between 5 and 6 cents. That has been the general rule this fall.

Commissioner HARLAN. How many bushels of wheat had he bought under that margin?

Mr. VIGNESS. I could not say that; I did not inquire into it, and I could not give a definite answer as to that.

Commissioner HARLAN. He has lost his margin?

Mr. VIGNESS. Yes, sir; in some instances.

Mr. MARBLE. What is the coal situation in your town, sir?

Mr. VIGNESS. There were two weeks we did not have any coal at all. The county had a little. One of the lumber yards had a carload that belonged to the county, and they helped them out; but we got two cars Friday before I left. That is all the coal they have now in the yard.

Mr. MARBLE. How long would two cars last?

Mr. VIGNESS. They won't last long. Ours is quite a thickly settled country and the inhabitants of the town number 2,500.

Mr. MARBLE. Two cars of coal won't reach very far?

Mr. VIGNESS. No.

Mr. MARBLE. Do they all burn coal?

Mr. VIGNESS. Yes; pretty much—probably a half burn wood, but not many.

Mr. MARBLE. Have you talked with your coal dealers?

Mr. VIGNESS. I have been trying to get coal, myself, for the church down there; but I could not get soft coal.

Mr. MARBLE. Could not get coal?

Mr. VIGNESS. No.

Mr. MARBLE. Did the dealers tell you they had coal on the road?

Mr. VIGNESS. They told me they had orders for a month to three weeks—some of them had orders out.

Mr. MARBLE. Do you know whether it has been shipped?

Mr. VIGNESS. They did not know. Some of them—the St. Law-

rence Lumber Company was expecting a car—had received the bill it was shipped, but they had not received the car.

Commissioner HARLAN. Have the schools in your county had enough coal?

Mr. VIGNESS. Yes; the school has been very fortunate—that is, the city school. I do not know how it is with the county schools.

Commissioner HARLAN. The schools have closed?

Mr. VIGNESS. No; I have not heard of any schools in the county that have closed on account of fuel.

Commissioner HARLAN. Do your know what the total production of grain in your county was last year?

Mr. VIGNESS. No, sir; I could not tell you that. The Egert Milling Company have their elevator in Walhalla. They had only two cars all fall, and the elevator has been closed since the middle of October.

Mr. BUNN. Do the farmers in your country all sell their wheat in the fall, or carry it through?

Mr. VIGNESS. Well, pretty much, especially this fall, on account of there being a small crop and low price, and their wanting to meet their expense—why, they had to sell more or less to get along.

Mr. BUNN. In previous years have they been selling all their wheat in the fall?

Mr. VIGNESS. Well, not all; about half of it, or so, they have sold in the fall.

Mr. BUNN. And what did they do with the other half?

Mr. VIGNESS. They generally put it in their granaries.

Mr. BUNN. And carry it over until spring?

Mr. VIGNESS. Yes.

Mr. MARBLE. Have more or fewer cars been shipped from your town this year than in previous years?

Mr. VIGNESS. Fewer, I guess. We did not have as large a crop as last.

Mr. MARBLE. And not so many have been shipped as the farmers wanted to ship?

Mr. VIGNESS. Yes, sir.

Commissioner LANE. We will now take an adjournment until 2 o'clock p. m. to-day.

(Thereupon, at 12.30 p. m., the Commission adjourned.)

AFTER RECESS.

Commissioner LANE. Are you ready to proceed, Mr. Marble?

Mr. MARBLE. Yes, sir. I will call Mr. Egeland again. There is a question I wish to ask him.

A. EGELAND, recalled.

Mr. MARBLE. Mr. Egeland, is your town on a branch line that extends into Canada?

Mr. EGELAND. Yes, sir.

Mr. MARBLE. Is wheat from Canada carried over that road?

Mr. EGELAND. That is what I understand.

Mr. MARBLE. You have seen cars, have you?

Mr. EGELAND. I have seen cars with big red labels going through our town; yes, sir.

Mr. MARBLE. Red labels? Did you see what was on them?

Mr. EGELAND. I have not been over to read them, but have had my attention called to the cars by people saying that there goes a car loaded with Canadian wheat; look at the red label.

Mr. MARBLE. Do you know whether the empty cars are being hauled past American elevators to get Canadian wheat?

Mr. EGELAND. I could not say as to that. I have seen a number of trains, more than usual, going north over that line.

Mr. MARBLE. With empty cars?

Mr. EGELAND. Some empty and some loaded. There has been some railway construction going on across the line.

Mr. MARBLE. There has been railway construction, and the cars have been brought back loaded with Canadian wheat?

Mr. EGELAND. That is my understanding.

Mr. MARBLE. Do you know about the question of the handling of this Canadian wheat?

Mr. EGELAND. It has been reported to me that at the towns of Hansbrough, Sarles, and Hannah, which are located close to the Canadian line, wheat is being brought across loaded into cars, and taken in preference to wheat raised on this side of the line.

Mr. MARBLE. That is one of the grievances up in your country?

Mr. EGELAND. That is one of the grievances up in this country which I was asked to bring before the Commission if possible to do so.

Mr. MARBLE. And who requested you to do that?

Mr. EGELAND. I was requested by Mr. David McKenna and a man by the name of Durham, and also a man by the name of Langdon.

Mr. MARBLE. Those are farmers?

Mr. EGELAND. Landowners and elevator men, and my attention has been called to it by merchants and farmers in general. That is the reason why they can't get cars on our line for their shipments.

Mr. MARBLE. You think that they have discriminated against you in favor of Canadian wheat?

Mr. EGELAND. Yes, sir.

Commissioner LANE. There is no reason why that should be, is there? What would be the object of the railroad company in discriminating against your people in favor of Canadian wheat?

Mr. EGELAND. I presume the Canadian roads would take that wheat if our roads did not get in ahead of them and take it.

Commissioner LANE. There is competition there between your roads and the Canadian roads?

Mr. EGELAND. Across the line, it would seem so.

Commissioner LANE. What Canadian road comes down there?

Mr. EGELAND. I think the Canadian Northern and the Canadian Pacific, both. I am not entirely sure as to that, but that is my understanding. Those shipments I spoke of are instances from St. John, N. Dak., and Brandon, Manitoba.

Mr. MARBLE. That is all.

(The witness was excused.)

M. J. DOOLEY, called as a witness, was duly sworn, and testified as follows:

Mr. MARBLE. Your name is M. J. Dooley?

Mr. DOOLEY. M. J. Dooley; yes, sir.

Mr. MARBLE. And you reside in St. Paul?

Mr. DOOLEY. Yes, sir.
Mr. MARBLE. And you are superintendent of the Minnesota Transfer Railway Company?
Mr. DOOLEY. Yes, sir.
Mr. MARBLE. That is the name of the concern, is it?
Mr. DOOLEY. Yes, sir.
Mr. MARBLE. What is that railroad?
Mr. DOOLEY. The Terminal company composed of ten lines operating in this section of the country for the interchange of traffic between the lines.
Mr. MARBLE. Is it for the switching of cars?
Mr. DOOLEY. Yes, sir; the switching of cars from one line to the other principally.
Mr. MARBLE. And do you also transfer goods from car to car?
Mr. DOOLEY. Yes, sir.
Mr. MARBLE. The purpose of that being to release the equipment of the lines originating the traffic?
Mr. DOOLEY. Yes, sir.
Mr. MARBLE. And to get the freight into the cars of the line taking the traffic?
Mr. DOOLEY. Yes, sir.
Mr. MARBLE. Do you transfer freight both ways?
Mr. DOOLEY. Yes, sir.
Mr. MARBLE. How many cars per day have you capacity to handle without having an accumulation or congestion?
Mr. DOOLEY. We are handling at the present time about twenty-four to twenty-six hundred cars, which is our capacity.
Mr. MARBLE. You are about up to your capacity?
Mr. DOOLEY. Yes, sir.
Mr. MARBLE. Are you congested?
Mr. DOOLEY. No, sir.
Mr. MARBLE. Do you transfer any grain from car to car?
Mr. DOOLEY. No, sir.
Mr. MARBLE. None at all?
Mr. DOOLEY. Except one elevator on our line, and two oil mills.
Mr. MARBLE. Two what?
Mr. DOOLEY. Two oil mills which handle flax.
Mr. MARBLE. Then you do handle some grain?
Mr. DOOLEY. Yes, sir.
Mr. MARBLE. You transfer from car to car?
Mr. DOOLEY. No, sir.
Mr. MARBLE. You store it?
Mr. DOOLEY. There is a private elevator—the Northwestern Elevator Company—located on our lines, a private enterprise. They receive considerable grain at certain seasons of the year.
Mr. MARBLE. Supposing grain comes in a Great Northern car, if there is any such to be transferred to an outgoing road, who transfers that?
Mr. DOOLEY. As a general thing the Great Northern cars run through unless they are in bad order, and in case they are in bad order we make the transfer ourselves.
Mr. MARBLE. Have you been congested during this crop year at this terminal?
Mr. DOOLEY. Somewhat congested during the month of October.

Mr. MARBLE. How far behind have you been in your work?

Mr. DOOLEY. At one time I think we had about 300 cars held back on the Northern Pacific, about 100 on the Great Northern, and perhaps the same number on the Soo.

Mr. MARBLE. Now, you are giving the figures at the worst?

Mr. DOOLEY. Yes, sir.

Mr. MARBLE. How long did that continue?

Mr. DOOLEY. On the Northern Pacific possibly two weeks, and on the Great Northern and on the Soo line possibly one week.

Mr. MARBLE. As far as you know have there been congestions of grain cars in your city?

Mr. DOOLEY. I do not know anything about it.

Mr. MARBLE. You are not advised as to that?

Mr. DOOLEY. No, sir.

Mr. MARBLE. How many cars are in your yards to-day?

Mr. DOOLEY. I have not to-day's figures. Yesterday 1,270.

Mr. MARBLE. Twelve hundred and seventy?

Mr. DOOLEY. Yes, sir.

Mr. MARBLE. And you transferred yesterday about how many?

Mr. DOOLEY. About 2,400 cars—that is, about 2,400 cars moved through the yards.

Mr. MARBLE. For how many of those did you transfer the goods from car to car?

Mr. DOOLEY. We unloaded yesterday 136 cars of less than carload freight and 88 cars of carload freight.

Mr. MARBLE. Do you warehouse those goods that you transfer from car to car at all?

Mr. DOOLEY. No, sir.

Mr. MARBLE. Do you always have cars of connecting lines ready to meet the car which is to be released?

Mr. DOOLEY. As a usual thing; yes, sir.

Mr. MARBLE. You find that feasible and practicable?

Mr. DOOLEY. We could not handle it unless we did.

Mr. MARBLE. How often have you had cars waiting for connecting cars—cars to which the stuff is to be transferred?

Mr. DOOLEY. Frequently.

Mr. MARBLE. How many cars are usually waiting now?

Mr. DOOLEY. Last night there were 122 carloads of carload freight that were not handled yesterday, although we had from yesterday's unloading—had approximately cars enough to take care of the entire business.

Mr. MARBLE. Ready?

Mr. DOOLEY. That would be ready for switching to-night.

Mr. MARBLE. Take it during this present crop year.

Mr. DOOLEY. Our congestion this year, or at least our car shortage, has been more acute than generally before for four or five years, where we have not had a car shortage for handling such business as you speak of.

Mr. MARBLE. What do you mean by acute, rather than general?

Mr. DOOLEY. We have been short of cars for a specific line, for a few days only.

Mr. MARBLE. Any line in particular?

Mr. DOOLEY. Most all of them at some time during the last six weeks.

Mr. MARBLE. And for how long would you be short of cars?

Mr. DOOLEY. Not more than a week for any one line.

Mr. MARBLE. Not more than a week for any one line? Now, how many cars have you had waiting at any time—waiting for cars to meet them?

Mr. DOOLEY. The highest number of cars we had left over was 240.

Mr. MARBLE. Waiting for cars from connecting lines?

Mr. DOOLEY. Yes, sir; and our own inability to transfer the goods.

Mr. MARBLE. Leaving out the inability to transfer the goods, how many cars have you had waiting for cars from connecting lines?

Mr. DOOLEY. Not more than 200.

Mr. MARBLE. For how long have they waited—for a week?

Mr. DOOLEY. Not longer. They have not waited longer than an entire week, I would say, but usually they transfer the older loads first.

Mr. MARBLE. Have you considered the advisability of having a warehouse to release such cars here and give quicker service to the public?

Mr. DOOLEY. We have a storage yard for the purpose of releasing the commodity of which we transfer most—Pacific coast shingles—and where the congestion is bad we invariably unload the traffic on the ground and let it remain there until such time as cars are plentiful.

Mr. MARBLE. As to Pacific coast shingles—you do store them?

Mr. DOOLEY. As to Pacific coast shingles, yes; we do store them.

Mr. MARBLE. And do you need warehouse facilities for other classes of freight in order to aid you to serve the public quickly?

Mr. DOOLEY. We are better off without a warehouse; yes, sir.

Mr. MARBLE. You are better off without a warehouse?

Mr. DOOLEY. Without a warehouse; yes, sir.

Mr. MARBLE. And why is that?

Mr. DOOLEY. Because we transfer directly from car to car, and the demand for cars is such that it forces us to do it that way all the time, whereas if we had a warehouse we would have to put it in there and take it out, and it would cause more or less delay in that warehouse.

Mr. MARBLE. This question of cars waiting for cars from connecting lines—holding the cars—how great a factor is that in the car shortage?

Mr. DOOLEY. Not very great this year.

Mr. MARBLE. Don't your railroads have warehouses at Minneapolis?

Mr. DOOLEY. No, sir.

Mr. MARBLE. Where have those cars sometimes stood? Have they not stood there in that yard for a time?

Mr. DOOLEY. I do not think they would.

Mr. MARBLE. Don't they remain for a time at that point?

Mr. DOOLEY. No, sir.

Mr. MARBLE. You are not advised as to that?

Mr. DOOLEY. No, sir.

Mr. MARBLE. You say that you had in October a congestion?

Mr. DOOLEY. Somewhat; yes, sir.

Mr. MARBLE. And a good many cars could not get on your tracks at all?

Mr. DOOLEY. A good many cars could not get on our tracks at all.

Mr. MARBLE. And on your tracks at that time you had about how many cars?

Mr. DOOLEY. It averaged from 2,400 to 2,500 cars, I think.

Mr. MARBLE. How many would there be that would not be unloaded?

Mr. DOOLEY. The merchandise traffic as running, about 200 cars per day.

Mr. MARBLE. They were not unloaded?

Mr. DOOLEY. They were not unloaded.

Mr. MARBLE. How much were you behind in your business at that time?

Mr. DOOLEY. Practically half a day's business behind.

Mr. MARBLE. That would be about 1,500 cars?

Mr. DOOLEY. Fifteen hundred cars; yes, sir.

Mr. MARBLE. Is your terminal large enough?

Mr. DOOLEY. In what way?

Mr. MARBLE. In the matter of the facilities of the sort you testified you think that would be necessary. Have you enough?

Mr. DOOLEY. We are getting more as fast as we can.

Mr. MARBLE. Getting more?

Mr. DOOLEY. Yes, sir.

Mr. MARBLE. They are being increased?

Mr. DOOLEY. Yes, sir.

Mr. MARBLE. By next year you think that such delays as you have testified to can be avoided?

Mr. DOOLEY. Not if the business increases proportionately, as it did last year.

Mr. MARBLE. How much did it increase last year?

Mr. DOOLEY. Practically 30 per cent.

Mr. MARBLE. The business on through cars increased 30 per cent?

Mr. DOOLEY. Yes, sir.

Mr. MARBLE. And also business—cars to be transferred?

Mr. DOOLEY. Yes, sir.

Mr. MARBLE. Both?

Mr. DOOLEY. Both.

Mr. MARBLE. It is only through trains you deal with? You do not deal with Minneapolis and St. Paul?

Mr. DOOLEY. We have nothing to do with Minneapolis and St. Paul.

Mr. MARBLE. You have nothing to do with them at all?

Mr. DOOLEY. No, sir.

Mr. MARBLE. That is all.

Commissioner LANE. How is your road managed? By the companies who own stock in it?

Mr. DOOLEY. Yes, sir; by each company as a member of the board of directors. They have a president besides.

Commissioner LANE. And they select the management? The management of the concern is independent of any of the railroad companies?

Mr. DOOLEY. Yes, sir.

Commissioner LANE. You operate that, in a sense, then, as a separate system?

Mr. DOOLEY. Yes, sir.

Commissioner LANE. What would you say a reasonable time would

be in transferring a train, we will say, that is made up of twenty cars to be distributed between five different roads at a junction point? What time ought it take to distribute and divide up that train?

Mr. DOOLEY. That is, have you in mind the going to a connecting line?

Commissioner LANE. Going to connecting lines.

Mr. DOOLEY. If all the cars were through, without transfer, and not in bad order, twenty-four hours would be reasonable.

Commissioner LANE. If there is a town up in North Dakota 250 miles from Duluth, and you take that, and the ordinary time of running at the rate of speed of 10 miles an hour would be twenty-five hours on a continuous passage, what time ought to be taken up in the switching up, in the switching of cars during that period of passage?

Mr. DOOLEY. I am not prepared to say.

Commissioner LANE. Would a period of eight days be reasonable?

Mr. DOOLEY. It would depend upon conditions.

Commissioner LANE. You think eight days might be consumed where there was but one junction point?

Mr. DOOLEY. It might be, but I do not think it ought to be.

Commissioner LANE. As a railroad man, do you know why it takes ten days ordinarily for a car to go 250 miles?

Mr. DOOLEY. That would depend upon how many terminals it had to go through, largely.

Commissioner LANE. Suppose you had no terminals to go through.

Mr. DOOLEY. It ought not to take ten days.

Mr. MARBLE. Just one question. When you spoke of delay resulting from warehousing, you meant delay to goods in transit?

Mr. DOOLEY. Into the warehouse.

Mr. MARBLE. Delay to goods in the warehouse and not delay to the cars?

Mr. DOOLEY. Not to the cars.

Commissioner HARLAN. Mr. Dooley, I understand that during the summer, with the exception of one or two intervals, you cleaned up the work there?

Mr. DOOLEY. We were never cleaned up.

Commissioner HARLAN. Practically so?

Mr. DOOLEY. Practically so, yes, sir.

Commissioner HARLAN. That is all.

Mr. BEGG. You spoke of there being occasions when you would have cars held on transfer on account of lack of cars of other lines to transfer to.

Mr. DOOLEY. Yes, sir.

Mr. BEGG. Have those delays been chiefly on account of eastern lines failing to furnish cars?

Mr. DOOLEY. Yes, sir.

Mr. BEGG. And not on account of western lines?

Mr. DOOLEY. No, sir. We most always have a surplus of western line cars.

Commissioner LANE. That is a very interesting statement. In fact, have you had an abundance of cars on those two lines, so that they have been sufficient—that you have had sufficiency of cars to meet the demands upon you?

Mr. DOOLEY. There has been, with the possible exception of twenty-

four hours or so. The Great Northern and Northern Pacific and Soo lines business is particular business coming one way, and there are a great many cars—of their cars, and we always have cars at our terminals.

Commissioner LANE. The Great Northern and the Soo?

Mr. DOOLEY. And the Northern Pacific.

Commissioner LANE. And the Northern Pacific. And you have found no insufficiency of cars at any time extending over a period of twenty-four hours?

Mr. DOOLEY. Over a period of twenty-four to forty-eight hours.

Commissioner LANE. From twenty-four to forty-eight hours.

Mr. DOOLEY. Yes, sir.

Commissioner LANE. And when you unload a car to transfer it you, with those exceptions, can get sufficient cars on those lines?

Mr. DOOLEY. Yes, sir.

Commissioner LANE. And in this period you say that on the Great Northern and the Northern Pacific and Soo lines there was no such thing as a car shortage, so far as you experience goes?

Mr. DOOLEY. There has been a shortage on the Northern Pacific and Soo lines, so far as my experience goes, but that shortage we filled out here as a rule.

Commissioner LANE. Filled out with what?

Mr. DOOLEY. With cars making empty coming over those lines.

Commissioner LANE. Their cars; that belong to them?

Mr. DOOLEY. That we made empty there transferring the loading.

Mr. MARBLE. Just one question more. Have you shipped empties by one of the other of these roads?

Mr. DOOLEY. Yes, sir; frequently.

Mr. MARBLE. Running the empties to the country?

Mr. DOOLEY. Yes, sir; we don't run to the country ourselves. We send them to the Minneapolis terminal as a rule.

Mr. MARBLE. Do you understand that they have been run to the country empty?

Mr. DOOLEY. I do not know about that.

Mr. MARBLE. You don't know about that at all?

Mr. DOOLEY. No.

Mr. BEGG. Have you not on a number of occasions allowed western line cars to go through to destination without transfer, because you could get the car back quicker that way than by waiting for cars from the connecting lines?

Mr. DOOLEY. Mr. Begg, we transfer only a small portion of western line cars that we receive.

Mr. BEGG. A great many of them go through?

Mr. DOOLEY. A great many of them go through.

Mr. BEGG. Even then you have to wait sometimes?

Mr. DOOLEY. Yes, sir.

Mr. BUNN. Mr. Dooley, here is really where a great many of Northern Pacific, Great Northern, and Soo line cars are made empty?

Mr. DOOLEY. Yes, sir.

Mr. BUNN. That is at Minneapolis and St. Paul and at the Minnesota Transfer with other eastern railways?

Mr. DOOLEY. Yes, sir.

Mr. BUNN. That is all.

Mr. MARBLE. You don't make any empties on St. Paul and Minneapolis business?
Mr. DOOLEY. No, sir.
Mr. MARBLE. You have nothing to do with those empties, have you?
Mr. DOOLEY. No, sir.
Mr. MARBLE. You simply know about them as a railroad man?
Mr. DOOLEY. Yes, sir.
Mr. MARBLE. Those are wheat cars that are made empty?
Mr. DOOLEY. I do not know anything about what they do.
Mr. MARBLE. You do not know what traffic it is that makes the empty cars?
Mr. DOOLEY. Wheat, usually, of course.
Mr. MARBLE. Do you know of the volume of this year as compared with previous years?
Mr. DOOLEY. No, sir.
Mr. MARBLE. You do not know about that?
Mr. DOOLEY. No.
Mr. MARBLE. What sort of through traffic is it from the North and Northwest, of which you reiieve the cars?
Mr. DOOLEY. We have a list. I did not bring it with me. It is a long transfer list which includes a large number of commodities that the roads have considered might be damaged in handling in transfer. Those commodities, when loaded, are permitted to run through in the original cars. All other commodities, where damage will not result from unloading, are being transferred from car to car.
Mr. MARBLE. Fruit, for instance, you do not transfer?
Mr. DOOLEY. What commodity?
Mr. MARBLE. Fruit; you do not transfer that?
Mr. DOOLEY. No, sir.
Mr. MARBLE. What else, for instance? What is the most of it?
Mr. DOOLEY. Machinery.
Mr. MARBLE. What do you transfer the most of from the North and Northwest at the present time?
Mr. DOOLEY. Shingles and flour.
Mr. MARBLE. Shingles from the Pacific coast?
Mr. DOOLEY. Shingles from the Pacific coast and flour.
Mr. MARBLE. Flour from where?
Mr. DOOLEY. Various North Dakota and Minnesota mills.
Mr. MARBLE. That is all.
(The witness was excused.)

D. LARSON, called as a witness, was duly sworn, and testified as follows:
Mr. MARBLE. What is your name?
Mr. LARSON. D. Larson.
Mr. MARBLE. You reside at Cummings, N. Dak.?
Mr. LARSON. Yes, sir.
Mr. MARBLE. And you are interested in an elevator company there?
Mr. LARSON. Yes, sir.
Mr. MARBLE. The Farmers' Elevator?
Mr. LARSON. Yes, sir.
Mr. MARBLE. And any other business?
Mr. LARSON. Yes; I am cashier of a bank.

Mr. MARBLE. Of what bank?
Mr. LARSON. The Cummings State Bank.
Mr. MARBLE. How long have you been interested in the grain business?
Mr. LARSON. Since 1899.
Mr. MARBLE. Have you been short of transportation facilities at that point this year?
Mr. LARSON. Yes, sir; the two last seasons.
Mr. MARBLE. For two years?
Mr. LARSON. Yes.
Mr. MARBLE. Has your elevator been filled with wheat?
Mr. LARSON. Yes.
Mr. MARBLE. Out of the market?
Mr. LARSON. It has been full for about five weeks.
Mr. MARBLE. It has been full for five weeks?
Mr. LARSON. Yes, sir.
Mr. MARBLE. And previous to that was it filled?
Mr. LARSON. No; it was filled just about the 10th of October, and we got a little room just about the 25th of November.
Mr. MARBLE. About the 25th of November you were relieved somewhat?
Mr. LARSON. Yes, sir.
Mr. MARBLE. Last year was your elevator full?
Mr. LARSON. Yes; about the same time.
Mr. MARBLE. Did you suffer as much last year as this?
Mr. LARSON. Yes, sir.
Mr. MARBLE. Before that, what had been the situation in previous years?
Mr. LARSON. We had ample cars.
Mr. MARBLE. Ample cars?
Mr. LARSON. Yes, sir.
Mr. MARBLE. Did you have more cars than you had last year and this year?
Mr. LARSON. A good deal more.
Mr. MARBLE. This year the crop is larger?
Mr. LARSON. Oh, no; the crop is somewhat smaller.
Mr. MARBLE. Fewer cars last year and this?
Mr. LARSON. Yes; in 1899 we handled 270,000 bushels, and last season we were only able to handle 100,000, and so far this season about 60,000.
Mr. MARBLE. Is the wheat in the country? If you could get the cars you could buy more?
Mr. LARSON. Yes; it is there. Of course our station is not the only one. The line houses have facilities to handle the grain, but of course we, being a farmers' elevator, handle the bulk of it, so our business is cut down.
Mr. MARBLE. And the line elevators are left in control of the market?
Mr. LARSON. Yes, sir; for the time we are filled, and of course it increases our expenses in the way of interest and insurance.
Mr. MARBLE. Interest on the grain held in the house?
Mr. LARSON. Yes, sir.
Mr. MARBLE. And insurance?
Mr. LARSON. Yes, sir.

Mr. MARBLE. Did you apply for cars?

Mr. LARSON. Oh, yes; we applied right along, and I had written to the train dispatcher at Grand Forks several times, and the division superintendent, and I called him up by phone, and several times previously have been ordering at local stations.

Mr. MARBLE. Has any explanation been made to you why they don't give them to you?

Mr. LARSON. Not any.

Mr. MARBLE. You testified as to the number of bushels you handled. How much was the business cut down?

Mr. LARSON. About 75 per cent the two last seasons.

Mr. MARBLE. What is the effect upon the market of this failure of transportation facilities?

Mr. LARSON. At our station it don't affect us any. The line houses are paying good prices for grain.

Mr. MARBLE. Good prices?

Mr. LARSON. Yes, sir.

Mr. MARBLE. You do not think the farmers have lost?

Mr. LARSON. Oh, no; the farmers have not lost.

Mr. MARBLE. You are on a branch line, are you?

Mr. LARSON. We are on a line between the Grand Forks and Fargo.

Mr. MARBLE. Is this the Great Northern?

Mr. LARSON. Yes, sir; the Great Northern.

Mr. MARBLE. As to the cars that you have shipped, have they gone forward promptly?

Mr. LARSON. Fairly so.

Mr. MARBLE. Have they moved promptly after being loaded?

Mr. LARSON. Cars have been standing on the track about a week; that has been the limit.

Mr. MARBLE. How many cars have stood there a week?

Mr. LARSON. I should say at the station probably about a dozen cars.

Mr. MARBLE. A dozen at a time, do you mean?

Mr. LARSON. All told.

Mr. MARBLE. And those all told stood about a week?

Mr. LARSON. Yes.

Mr. MARBLE. How far are you from Duluth?

Mr. LARSON. Well, I should say about 250 miles.

Mr. MARBLE. How long does it take your cars to get from your station to Duluth?

Mr. LARSON. Oh, generally about six days.

Mr. MARBLE. About six days?

Mr. LARSON. I should say so.

Mr. MARBLE. You are on the main line?

Mr. LARSON. I suppose it is the main line.

Mr. MARBLE. Do you deal in coal?

Mr. LARSON. No; we dealt in coal during 1899 and 1900, but after that the coal companies refused to sell us coal.

Mr. MARBLE. Why was that?

Mr. LARSON. I suppose that we were not in the trust.

Mr. MARBLE. Did they tell you that was the reason?

Mr. MARBLE. They told us they could not sell coal for the reason that other dealers objected to it.

Mr. MARBLE. Do you know what other dealers?
Mr. LARSON. I should think the Valley Coal Company.
Mr. MARBLE. Did they tell you what other dealers objected?
Mr. LARSON. No; they did not, but they are the only dealers in town or were the only dealers at the time. Now, the Valley Elevator Company handles the coal.
Mr. MARBLE. Did they go into the coal business since you were forced out of it?
Mr. LARSON. Into the coal business; yes, sir.
Mr. MARBLE. Did you try more than one company?
Mr. LARSON. Yes, sir; three or four.
Mr. MARBLE. Did you get the same answer from all?
Mr. LARSON. Yes, sir.
Mr. MARBLE. Was there any complaint about the prices you sold coal at?
Mr. LARSON. Yes; we sold it cheaper than the other companies.
Mr. MARBLE. Did they tell you that you sold it cheaper?
Mr. LARSON. Yes.
Mr. MARBLE. Did they give you that as one of the reasons?
Mr. LARSON. That was one of the reasons, and they said we did not have any regular coal warehouse.
Mr. MARBLE. No regular coal warehouse?
Mr. LARSON. We sold out of the car.
Mr. MARBLE. You sold out of the car?
Mr. LARSON. Yes.
Mr. MARBLE. The railroad company did not object to that?
Mr. LARSON. Not any.
Mr. MARBLE. The coal companies did?
Mr. LARSON. The coal companies did.
Mr. MARBLE. What is the supply of coal at your point now?
Mr. LARSON. So far as suffering is concerned, we have not suffered from a lack of coal.
Mr. MARBLE. You are not suffering now?
Mr. LARSON. No.
Mr. MARBLE. You are cashier of a bank?
Mr. LARSON. Yes, sir.
Mr. MARBLE. Can you tell us what you see of this thing in your bank—what the effect is there?
Mr. LARSON. It has no effect in the bank for the reason that the farmers can sell the grain right along.
Mr. MARBLE. If the farmers sold the grain, you find that the loans don't increase?
Mr. LARSON. Only so far as the shortage of the crop generally.
Mr. BUNN. There was a shortage of crops this year in the low fork in the Red River Valley?
Mr. LARSON. The short crop commenced 8 miles south of us.
Mr. BUNN. Mr. Larson, what I mean is that that is a local condition in the low part of the Red River Valley.
Mr. LARSON. Yes, sir.
Mr. MARBLE. You did not get as many cars as last year?
Mr. LARSON. No.
Mr. MARBLE. That is all.
(The witness was excused.)

F. BELL, called as a witness, was duly sworn, and testified as follows:

Mr. MARBLE. Mr. Bell is your name?

Mr. BELL. Yes, sir.

Mr. MARBLE. And you reside at Montrose, Minn.?

Mr. BELL. Yes, sir.

Mr. MARBLE. And you are superintendent?

Mr. BELL. Yes, sir.

Mr. MARBLE. For what road?

Mr. BELL. Great Northern.

Mr. MARBLE. As superintendent what are your duties?

Mr. BELL. To exercise general supervision over all of the business in my territory.

Mr. MARBLE. You direct the making up of trains?

Mr. BELL. Indirectly.

Mr. MARBLE. And have supervision of the dispatching?

Mr. BELL. Yes, sir.

Mr. MARBLE. And overlook the pay rolls?

Mr. BELL. Yes, sir.

Mr. MARBLE. And the movement of trains?

Mr. BELL. Yes, sir.

Mr. MARBLE. Did you bring in any sheets or documents with you?

Mr. BELL. Yes, sir.

Mr. MARBLE. What did you bring?

Mr. BELL. I brought the train dispatcher's sheets, covering a period from June 1 to date.

Mr. MARBLE. Where are they?

Mr. BELL. In the room.

Mr. MARBLE. Where in the room? Will you get possession of them?

Mr. BELL. Yes; they are over in the corner there [indicating].

Mr. MARBLE. And what else did you bring?

Mr. BELL. Why, a few memoranda I thought might be of interest to the question.

Mr. MARBLE. A matter you desired to offer?

Mr. BELL. Yes; if the occasion offers.

Mr. MARBLE. I have no objection to that at all. And what does this memoranda you made up relate to?

Mr. BELL. The movement of trains and shortage of cars.

Mr. MARBLE. You have a section of the main line?

Mr. BELL. Yes, sir; I have the main line from a point just outside of Minneapolis to Barnesville, approximately 200 miles.

Mr. MARBLE. That is not the main line to Duluth?

Mr. BELL. No, sir.

Mr. MARBLE. That has to do with shipments to Minneapolis?

Mr. BELL. Yes, sir.

Mr. MARBLE. You make rather better time on the eastern division than the people do farther west, do you not?

Mr. BELL. I believe so, but that is from hearsay only.

Mr. MARBLE. That is your information?

Mr. BELL. Yes, sir.

Mr. MARBLE. What is the length of this division?

Mr. BELL. It is approximately 200 miles. It extends to Barnesville, which is 217 miles from St. Paul.

Mr. MARBLE. That is two divisions, really?
Mr. BELL. Two districts; one division.
Mr. MARBLE. Two train runs cover that?
Mr. BELL. Yes, sir.
Mr. MARBLE. Now, take the time that a train registers in at your farthest point to the time that they sign in in this city; what do you think a fair time would be to cover that distance, and that will include what you think fair delay at your farthest division point—a freight train; a dead freight train, not one of your oriental trains?
Mr. BELL. About thirty-six hours.
Mr. MARBLE. About thirty-six hours?
Mr. BELL. Yes, sir.
Mr. MARBLE. Do you think that is a fair time, and that that should include any reasonable or allowable or necessary delay in getting through division points?
Mr. BELL. Yes; under ordinary conditions thirty-six hours would be a reasonable time.
Mr. MARBLE. Now, under such conditions as you had during this crop year, what would be a reasonable time?
Mr. BELL. About that period.
Mr. MARBLE. What time were you actually making?
Mr. BELL. About that.
Mr. MARBLE. So you consider, on this part of the road which is under your superintendence, that you have done about as well as you would expect to?
Mr. BELL. Yes, sir.
Mr. MARBLE. How much of that thirty-six hours did you account for getting through the two division points which we allow for there?
Mr. BELL. From ten to twelve hours.
Mr. MARBLE. About six hours to a division point?
Mr. BELL. Yes.
Mr. MARBLE. In what way is that consumed?
Mr. BELL. Switching, making up trains—breaking up and making up trains.
Mr. MARBLE. You count that when a train gets to a division point it will be broken up?
Mr. BELL. Yes, sir.
Mr. MARBLE. Necessarily?
Mr. BELL. Yes, sir.
Mr. MARBLE. Most trains are?
Mr. BELL. Yes, sir.
Mr. MARBLE. Do they actually carry out different cars from what they bring in?
Mr. BELL. Very often.
Mr. MARBLE. Very often?
Mr. BELL. Yes, sir.
Mr. MARBLE. Do you switch out cars that have just come in and put in cars that you have had standing there?
Mr. BELL. Sometimes we would do that in periods of congestion, but ordinarily it is switching trains in station order—that is, getting the set-out loads together, so that you can set them out with the least possible delay on the road.
Mr. MARBLE. But in periods of congestion, if you had freight that had been standing in there, and cars were in the train, in order to

equalize the delay you would cut out the cars in the train and let those held up go forward?

Mr. BELL. It is the intention to move traffic in its order.

Mr. MARBLE. Have you had to do that this fall?

Mr. BELL. No, sir.

Mr. MARBLE. Not at all?

Mr. BELL. No, sir.

Mr. MARBLE. Do you know whether it has been done at other division points?

Mr. BELL. I can not say.

Mr. MARBLE. You have not been informed?

Mr. BELL. No, sir.

Mr. MARBLE. When did you last do that?

Mr. BELL. Not during my term of office on the division.

Mr. MARBLE. How long is that?

Mr. BELL. Somewhat less than a year.

Mr. MARBLE. That method would be followed during any time of congestion, would it?

Mr. BELL. I think so.

Mr. MARBLE. And that might explain the slowness of the movement of cars when trains seem to go reasonably fast?

Mr. BELL. Possibly.

Mr. MARBLE. To what percentage of their capacity do you load your engines?

Mr. BELL. At the present time about 50 to 60 per cent.

Mr. MARBLE. Fifty to 60 per cent?

Mr. BELL. Yes, sir.

Mr. MARBLE. Is that light loading?

Mr. BELL. Yes, sir; very.

Mr. MARBLE. Very light?

Mr. BELL. Yes, sir.

Mr. MARBLE. And why do you load them so lightly?

Mr. BELL. To make time with the trains.

Mr. MARBLE. Trains make better time if loaded lightly than if loaded heavily?

Mr. BELL. Sometimes. It depends on the weather conditions. At this time of the year we run our trains lighter than during warm weather.

Mr. MARBLE. Because the engine can not do as much work in very cold weather?

Mr. BELL. The efficiency of the locomotive is somewhat reduced in severe weather.

Mr. MARBLE. And if you loaded a locomotive to about 90 per cent now, perhaps it would not go through?

Mr. BELL. Not under all conditions. It depends on the locality and the weather conditions of certain districts. We have some districts where the wind blows all the time, and we have to reduce our trains. We have other districts where there is no trouble, and then we have districts where there is snow and wind, and of course we have to reduce it. Where there is no trouble we will load the engine nearly to capacity and make just as good time as when it is loaded only to 50 to 60 per cent.

Mr. MARBLE. Have you serious grades to deal with on your division?

Mr. BELL. Yes; we have what are considered heavy grades—six-tenths of 1 per cent, and in some places eight-tenths of 1 per cent.

Mr. MARBLE. Do you load trains so that the engine starting with the train can carry through this freight?

Mr. BELL. Yes, sir.

Mr. MARBLE. You do not divide the train and make two trips over hills?

Mr. BELL. No, sir.

Mr. MARBLE. You do not do that at all?

Mr. BELL. We do not make a practice of that.

Mr. MARBLE. It occurs sometimes?

Mr. BELL. I do not recall any cases now.

Mr. MARBLE. Have you helper engines that you help trains over the hills with—extra engines?

Mr. BELL. No, sir.

Mr. MARBLE. Have you enough engines.

Mr. BELL. Yes, sir.

Mr. MARBLE. You are not handicapped for lack of engines?

Mr. BELL. No, sir.

Mr. MARBLE. Have you enough cars for local business?

Mr. BELL. Yes, sir.

Mr. MARBLE. No delay in that way?

Mr. BELL. No, sir.

Mr. MARBLE. No shortage?

Mr. BELL. There has not been any at any time during the fall, any shortage of cars on my division, except for short periods, and those are very infrequent occurrences—much more infrequent than last year or the year before or the year before that.

Mr. MARBLE. On your division you have better service than last year and two years previous?

Mr. BELL. I should say so.

Mr. MARBLE. Have you been able to move cars promptly when loaded?

Mr. BELL. Yes, sir.

Mr. MARBLE. Do you know of any instances of cars standing a week after being loaded?

Mr. BELL. I do not recall any. Yesterday morning there were no loads on the division that had stood more than forty-eight hours.

Mr. MARBLE. How long ago did you begin to load engines to 50 or 60 per cent of capacity?

Mr. BELL. With the advent of cold weather—perhaps a month.

Mr. MARBLE. Perhaps a month ago. And previous to that how were you loading?

Mr. BELL. We have had business loaded to capacity.

Mr. MARBLE. What do you mean by "capacity?"

Mr. BELL. I mean the capacity of the engine.

Mr. MARBLE. Did you load 100 per cent of their capacity or 90 per cent?

Mr. BELL. On some districts we run them to capacity.

Mr. MARBLE. That is where you have down grades?

Mr. BELL. Where the grades are favorable and where the weather conditions permit.

Mr. MARBLE. Is that capacity furnished to you by the capacity marked on the engine?

Mr. BELL. The capacity is usually furnished by the mechanical department.

Mr. MARBLE. The master mechanic furnishes that?

Mr. BELL. I might say that in explanation of the 50 and 60 per cent now being hauled by the engines, that the business on the division which I represent is not so great as it was thirty to sixty days ago, when we were hauling, perhaps, a larger percentage of the rating.

Mr. MARBLE. Have you, at any time during the season, made delays in the shipment of grain?

Mr. BELL. No, sir.

Mr. MARBLE. You have been able to forward promptly?

Mr. BELL. Yes, sir.

Mr. MARBLE. Now, if we may have these sheets in the room to examine them we will be very much obliged to you.

Mr. BELL. Yes, sir.

Mr. MARBLE. How is the coal supply of the railroad in the district under your supervision?

Mr. BELL. Not so great as in previous years.

Mr. MARBLE. Have you coal in store?

Mr. BELL. No, sir; we are running, perhaps, with twenty-four to thirty-six hours' supply ahead on the division.

Mr. MARBLE. You keep that in bins?

Mr. BELL. No, sir; we keep it in cars. We are unloading almost from the cars to the locomotives at this time.

Mr. MARBLE. What?

Mr. BELL. We are unloading almost from the cars to the locomotives at this time.

Mr. MARBLE. As far as the twenty-four to thirty-six hours are concerned, you are using cars for storage?

Mr. BELL. I do not suppose cars remain under load with coal more than twelve hours at any of our terminals.

Mr. MARBLE. They are unloaded so promptly that it is not practicable to put the coal in bins?

Mr. BELL. You understand that coal is all handled through sheds, but we do not at other times. We have been able to carry, perhaps, five days' supply at the shed. At this time it is going directly through the shed to the locomotive, the supply is so short.

Mr. MARBLE. Since last May, what is the most that you have been ahead in your supply of coal at any time?

Mr. BELL. At any time since last May? I think not more than four days.

Mr. MARBLE. Not more than four days? You have been living pretty close to the supply all the time?

Mr. BELL. Yes, sir.

Mr. MARBLE. That is all.

Commissioner LANE. Has there been an unprecedented amount of traffic on your road this year?

Mr. BELL. Yes, sir; I think the division has handled more business this year than for many years previous.

Commissioner LANE. What is the percentage of increase?

Mr. BELL. I should say during the months of July, August, and September, and half of October, it has increased from 75 to 100 per cent in tonnage handled over the division.

Commissioner LANE. Almost double in those months?

Mr. BELL. That represents through business largely.

Commissioner LANE. Of what has it consisted?

Mr. BELL. Merchandise, lumber, shingles, and machinery.

Commissioner LANE. Going which way, chiefly?

Mr. BELL. Westbound principally, although the eastbound business in lumber and shingles has been very heavy.

Commissioner LANE. What would be the eastbound freight?

Mr. BELL. Lumber and shingles principally.

Commissioner LANE. And the westbond?

Mr. BELL. Merchandise, machinery, and coal.

Commissioner LANE. And on that division you have no shortage of cars?

Mr. BELL. Not for any protracted period; no, sir. Of course there are complaints from time to time in isolated cases, but for the most part they are for foreign cars only, for cars to load for foreign lines, and the difficulty has been in securing those foreign cars. There has been no real shortage of system cars at any time during the fall, and there is not now.

Commissioner LANE. What are the points between which you control the operation of the road?

Mr. BELL. Between, you might say, Minneapolis and Barnesville. The real terminal of the division is outside of Minneapolis, at Coon Creek Junction, and it extends west to Barnesville, and then I run over to Willmar.

Commissioner LANE. A total of 217 miles?

Mr. BELL. Two hundred and seventeen miles from St. Paul; yes, sir.

Mr. BEGG. You spoke of a great increase in business over your division. Is not that to some extent due to the fact that you handle business which ordinarily went over another line?

Mr. BELL. Yes, sir; business formerly handled over the Willmar and Breckenridge divisions.

Mr. BEGG. The capacity of engines, as you get it, is furnished to you by the mechanical department, is it not?

Mr. BELL. Primarily, yes; but it has been the practice in past years to make tests, actual tests, on the division to determine the hauling power of the engines.

Mr. BEGG. When you speak of loading the engine to the full capacity you mean loading to the full-rated capacity given you?

Mr. BELL. Yes, sir.

Mr. BEGG. That does not mean all the engine can haul?

Mr. BELL. No; not by any means.

Mr. BEGG. From the line west of Barnesville there is a division that is not under your charge?

Mr. BELL. Yes, sir.

Mr. BEGG. Including the Barnesville station?

Mr. BELL. The Barnesville station is not under my control; no, sir.

Mr. BEGG. What do you consider a reasonable time to put a train through Barnesville, after it has registered into Barnesville until it is delivered to your division for bringing on east?

Mr. BELL. Mr. Begg, it depends altogether on conditions and which way the business is movlng. If the business is largely west

bound, then east-bound business through Barnesville might be handled in less time.

Mr. BEGG. When you spoke of six hours being a reasonable time to go through a terminal——

Mr. BELL. That is a low figure.

Mr. BEGG (continuing). You counted on everything being favorable?

Mr. BELL. Yes; I counted on everything being favorable. Under certain conditions I do not consider that twelve hours' delay at a terminal is unreasonable.

Mr. MARBLE. You mean through a division point—terminal?

Mr. BELL. The ends of each district are called terminals.

Mr. MARBLE. Every second district?

Mr. BELL. The distance from district point to district point averages about 109 miles. It is about 109 miles from St. Paul to Melrose. Melrose is practically about the same distance from Barnesville, which is next. That is the run of a crew and engine.

Mr. MARBLE. You think, then, in every hundred miles it is fair to have ten to twelve hours' delay for switching?

Mr. BELL. I think that is not unreasonable for dead freight. Of course it is much better on high-class freight. On west-bound business there is time allowed on certain freight at terminals, to change engines, etc., which runs from thirty minutes to an hour and a half.

Mr. BEGG. Mr. Bell, what is a reasonable time for a freight train to register in at the east end of your division, after it has registered out of Barnesville, after delivery to you?

Mr. BELL. I do not think I understand.

Mr. BEGG. After a train registers out of Barnesville, what do you consider a reasonable time to be consumed in getting over this division and turning the train over to the next division here at Minneapolis?

Mr. BELL. A train of dead freight?

Mr. BEGG. A train of dead freight; yes, sir.

Mr. BELL. I think thirty-six hours would be a reasonable time.

Mr. BEGG. In giving thirty-six hours, then, you understood Mr. Marble to say that the train had registered out of Barnesville instead of being registered in?

Mr. BELL. Perhaps it is not understood that I have no control of the terminal on the west end of my division, and that trains do not enter upon my division until they are started from Barnesville.

Mr. MARBLE. I tried to make my question very plain. I will repeat what I said; that after trains registered in at the farthest point under your control, what is a fair time from that moment to the time that the train is registered in at this end?

Mr. BELL. If I said thirty-six hours, I misunderstood you, and would add twelve hours, which would make forty-eight hours.

Mr. MARBLE. Making forty-eight hours?

Mr. BELL. Yes, sir; that is to say, the running time on each district, and twelve hours delay at each terminal.

Mr. MARBLE. Twelve hours at each terminal?

Mr. BELL. Yes, sir; there you have two terminals of twelve hours each, and two runs of twelve hours, which would make a total of forty-eight hours.

Mr. MARBLE. Twenty-four hours on the road and twenty-four hours in the terminals?

Mr. BELL. Yes, sir.

Commissioner LANE. That you consider a reasonable time for a freight train passing over 217 miles and through two terminal points?

Mr. BELL. Yes, sir; for dead freight.

Commissioner LANE. For dead freight?

Mr. BELL. Yes, sir.

Commissioner LANE. And if the train should pass another 100 miles over the track and pass through one additional terminal, how much should it consume in addition to the forty-eight hours?

Mr. BELL. I should say about twenty-four hours more.

Commissioner LANE. Twenty-four hours more?

Mr. BELL. Yes, sir.

Commissioner LANE. Then it would be three full days to pass a distance of 300 miles and pass through three terminals.

Mr. BELL. Yes, sir.

Mr. MARBLE. Do you know how fast canal boats travel?

Mr. BELL. No; I have had no experience with canal boats.

Mr. MARBLE. Do you know how fast a horse can walk?

Mr. BELL. I know how fast a man can walk.

Mr. MARBLE. He can walk as fast as you think trains should go, can he not?

Mr. BELL. Approximately.

Mr. BEGG. In connection with the grain traffic, is there an inspection point on your division?

Mr. BELL. Yes, sir.

Mr. BEGG. At Melrose?

Mr. BELL. Yes, sir.

Mr. BEGG. What delays are incident to this necessary inspection?

Mr. BELL. If a car of grain arrives at Melrose, say, at 5 p. m., it can not be inspected until daylight the next morning.

Mr. BEGG. How long does the inspection ordinarily provide, to inspect a train of grain?

Mr. BELL. Three or four hours, or four or five hours. It depends altogether on the man. Some men inspect a train in half the time. They have more experience.

Mr. MARBLE. In this estimate you don't include time for inspection in estimated cases?

Mr. BELL. I did not add anything additional on that account.

Mr. MARBLE. You have used the term "dead freight." I wish you would state what is meant by that.

Mr. BELL. The most common commodities are coal, grain, and lumber.

Mr. MARBLE. Any other sorts of commodities that you handle as dead freight?

Mr. BELL. Not in large quantities.

Mr. MARBLE. Coal, grain, and lumber?

Mr. BELL. Those are the principal commodities.

Mr. MARBLE. Hay?

Mr. BELL. Hay is dead freight.

Mr. MARBLE. Potatoes?

Mr. BELL. No; they are considered perishable and a higher class freight.

Mr. MARBLE. That is all.

Commissioner LANE. What is the distance from Grand Forks to Duluth?

Mr. BEGG. About 300 miles.

Commissioner LANE. That is over the Great Northern?

Mr. BEGG. Yes, sir.

Commissioner LANE. How many division points?

Mr. BEGG. After leaving Grand Forks the next division point is Brookston; then Cass Lake, and then comes Superior.

Commissioner LANE. Then there are three terminals altogether?

Mr. BEGG. Yes, sir.

Commissioner LANE. A train starts from Grand Forks, and in passing through three terminals and being inspected—a train of grain—what time should it take, ordinarily, to make that trip of 300 miles?

Mr. BELL. I am not familiar with the conditions of that country. I do not feel qualified to say.

Commissioner LANE. You have passed over that road?

Mr. BELL. I have ridden over it; yes, sir.

Commissioner LANE. Do you know how far it differs from your road?

Mr. BELL. Only in a general way. I know that the weather conditions there are much more severe than on the division I am on now.

Commissioner LANE. The weather conditions in October differed seriously?

Mr. BELL. I think not in October; but in the winter months.

Commissioner LANE. Well, take it in October. What time should such a train take in passing from Grand Forks to Duluth?

Mr. BELL. I should say from three to four days.

Commissioner LANE. Including inspection?

Mr. BELL. Yes, sir.

Commissioner LANE. That is all.

Mr. MARBLE. That is all.

(The witness was excused.)

L. W. BOWEN, called as a witness, was duly sworn, and testified as follows:

Mr. MARBLE. Your name is L. W. Bowen?

Mr. BOWEN. L. W. Bowen.

Mr. MARBLE. And you reside at Willmar?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. What is your business?

Mr. BOWEN. Superintendent.

Mr. MARBLE. For what road?

Mr. BOWEN. Great Northern.

Mr. MARBLE. And how much road is under your charge?

Mr. BOWEN. Three hundred and ninety-eight miles.

Mr. MARBLE. That is not in one stretch, is it?

Mr. BOWEN. No, sir.

Mr. MARBLE. Tell us between what points.

Mr. BOWEN. From just outside of Minneapolis—from Wayzata—to Breckenridge; that is on the main line.

Mr. MARBLE. Wayzata to Breckenridge is how far?

Mr. BOWEN. Practically 200 miles.

Mr. MARBLE. The other 198 miles—where do you make those?

Mr. BOWEN. We have 160 miles on what we call the Watertown branch, from Huron to Benson, Minn., or Benson to Huron.

Mr. MARBLE. And you say it is 160 miles? Then, you have some more?

Mr. BOWEN. We have a line from Morris to Browns Valley, Minn.

Mr. MARBLE. How long is that?

Mr. BOWEN. Forty-eight miles.

Mr. MARBLE. Is that all?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. Do you handle any of the through business to Duluth?

Mr. BOWEN. No, sir.

Mr. MARBLE. It does not reach you?

Mr. BOWEN. No, sir.

Mr. MARBLE. Of the through business, what traffic do you get?

Mr. BOWEN. I say to Duluth, the through business perhaps of that grain—some of it touches on the line going to Duluth—passes Willmar.

Mr. MARBLE. But it does not come to you from the far end of your division?

Mr. BOWEN. Yes; some if it might, going to Duluth, on the west end.

Mr. MARBLE. So that point where grain branches off to Duluth, is how far?

Mr. BOWEN. I do not know the farthest distance that we can get. I think it would be Huron or Breckenridge.

Mr. MARBLE. Do you haul grain from Huron to Duluth? Do you carry any of that traffic?

Mr. BOWEN. I do not know that we have had any; no, sir.

Mr. MARBLE. Passing over the line from Wayzata to Breckenridge; take a train loaded with dead freight. From the time it registers into your charge at Wayzata to the time it registers in at Breckenridge, what do you consider a reasonable time?

Mr. BOWEN. That would depend upon the conditions and the kind of freight we were handling.

Mr. MARBLE. I said a dead freight train. Is there a distinction in that?

Mr. BOWEN. Yes, sir; there would be, because we do not have over our division a dead freight train west as a usual thing.

Mr. MARBLE. Do you have it east?

Mr. BOWEN. We have it east.

Mr. MARBLE. I will reverse it, then, and turn the question around and say from Breckenridge to Wayzata?

Mr. BOWEN. I would say about sixty hours.

Mr. MARBLE. How many division points would that pass through?

Mr. BOWEN. Pass through one.

Mr. MARBLE. Only one division. I want you to include the time at Breckenridge—the time it registers in at Breckenridge.

Mr. BOWEN. I do not know what length of time it would take to make up a train at Breckenridge. Perhaps it would take ten hours.

Mr. MARBLE. Would you consider that reasonable?

Mr. BOWEN. I would; yes, sir; under normal conditions. If it were in the winter I would not.

Mr. MARBLE. In the winter I expect you would say it ought to take a longer time?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. In October—such weather as you had in October—you consider ten hours a fair time?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. You have ten hours for Breckenridge, and your division point nearest beyond that is what?

Mr. BOWEN. Willmar.

Mr. MARBLE. How much is the running time to Willmar?

Mr. BOWEN. About twelve or fourteen hours.

Mr. MARBLE. How many miles?

Mr. BOWEN. One hundred and twelve.

Mr. MARBLE. Twelve to fourteen hours for 112 miles. How long would you think that a train of dead freight should lie at Willmar?

Mr. BOWEN. That would depend upon the time it reached there. We have a grain inspection.

Mr. MARBLE. Omitting the grain inspection, considering the total distance?

Mr. BOWEN. If the yard were perfectly clear and you had power there to handle it, it would be in there perhaps five or six hours. That would be a quick movement.

Mr. MARBLE. Now, say, five or six hours at one division point, and how much at the other?

Mr. BOWEN. You did not mention a train load of hay. That would not have to be switched.

Mr. MARBLE. If it comes in as a solid train load that don't need switching, and you consider five or six hours that train needs without being switched?

Mr. BOWEN. A train load of hay perhaps five hours; the conductor would have to get in, check the car numbers, as well as the manifest, etc.

Mr. MARBLE. And if it were grain, how long would it be?

Mr. BOWEN. That would have to be inspected.

Mr. MARBLE. How long would it be in these yards, then, inspection and all?

Mr. BOWEN. I presume a train load of grain, if it reached there in the evening, would be in the yard anywhere from—at this time of the year—anywhere from eighteen hours.

Mr. MARBLE. I am talking about October.

Mr. BOWEN. October—fifteen hours, probably.

Mr. MARBLE. And you count how much of that time for inspection?

Mr. BOWEN. It would lay there all night before it was inspected, if it reached there in the evening.

Mr. MARBLE. Perhaps half of the time for inspection?

Mr. BOWEN. Yes; more than half.

Mr. MARBLE. And the running time to Wayzata would be how long?

Mr. BOWEN. That would probably be ten or twelve hours from Willmar to Wayzata.

Mr. MARBLE. You say forty-five hours? I do not want to mislead you on this question. Did you say forty-five hours from the time

the grain registered in at Breckenridge until it registered in at Wayzata?

Mr. BOWEN. Oh, no; I should say seventy.

Mr. MARBLE. Do you think that is entirely reasonable and practical?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. Have you actually accomplished such results this fall?

Mr. BOWEN. Yes.

Mr. MARBLE. Have you plenty of fuel?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. You are not short of fuel?

Mr. BOWEN. No, sir.

Mr. MARBLE. Not on any road under your charge?

Mr. BOWEN. No, sir.

Mr. MARBLE. Are you short of cars for local business?

Mr. BOWEN. No, sir; not to speak of.

Mr. MARBLE. Practically not at all?

Mr. BOWEN. Practically not at all.

Mr. MARBLE. How heavily do you load your engines?

Mr. BOWEN. Well, our practice—we have been loading 70 per cent of what the engines are rated at.

Mr. MARBLE. Seventy per cent? How long have you been handling them at 70 per cent?

Mr. BOWEN. Well, practically all the fall.

Mr. MARBLE. The testimony yesterday, if I remember it rightly, was that engines are going into Duluth and Superior loaded to 85 or 90 per cent.

Mr. BOWEN. I do not know what they are doing at Duluth.

Mr. MARBLE. Take the division west of that.

Mr. BOWEN. I do not know what they are doing.

Mr. MARBLE. You have instructions issued to load to 70 per cent?

Mr. BOWEN. We have not any such instructions.

Mr. MARBLE. That is your practice?

Mr. BOWEN. Yes, sir; and we have perhaps one of the easiest divisions on the system to get trains over. We have to work with a grade of one-tenth of 1 per cent.

Mr. MARBLE. You load your engines to 70 per cent only?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. Would you think it wise to load them heavier?

Mr. BOWEN. It might be for some reasons, but for handling business promptly, I do not think it is.

Mr. MARBLE. You can handle business more promptly by loading about 70 per cent?

Mr. BOWEN. In some cases; yes, sir.

Mr. MARBLE. It is now done?

Mr. BOWEN. At this time of the year; yes, sir.

Mr. MARBLE. Take it through October.

Mr. BOWEN. In the fall months when there is frost we can handle 70 per cent much better than we can with a full tonnage rating of the engine. In the summer time when it is dry and good rail, our engines can handle what they are rated at and make the same time.

Mr. MARBLE. How do you load the engines in the summer time when the rails are dry?

Mr. BOWEN. We give them 100 per cent of the rating.

Mr. MARBLE. I ask how long you have been loading engines 70 per cent. How long did you say?

Mr. BOWEN. Perhaps since the freezing weather set in. I could not tell you offhand just when that was.

Mr. MARBLE. And you load them 100 per cent when the rails are dry?

Mr. BOWEN. Yes, sir.

Commisisoner LANE. Is that usual, each winter?

Mr. BOWEN. Sir?

Commissioner LANE. Each winter do you have an order to change from 100 to 70 per cent?

Mr. BOWEN. Sometimes we can not handle more than from 40 to 50, perhaps. The weather conditions govern it.

Commissioner LANE. You are the judge of those conditions?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. If you overloaded an engine, what would be the result?

Mr. BOWEN. Well, there are times when that engine will take beyond her rated capacity and there are other times when you have to double or reduce.

Mr. MARBLE. If you overloaded an engine, what would result to the time that you would make over the division?

Mr. BOWEN. You overloaded an engine so she could not start?

Mr. MARBLE. If you overloaded an engine enough so it could start but slowly, on account of that heavier load, then would the train be slow?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. Would the liability to accidents be greater?

Mr. BOWEN. No, sir.

Mr. MARBLE. Would the train require more headway if going against a passenger train?

Mr. BOWEN. More headway—I do not catch your meaning.

Mr. MARBLE. I mean to say, with a heavy train coming from Minneapolis and a passenger train going to Minneapolis, would you have to allow that heavy train more headway as against the passenger train; would it have to have more time to be sure of making the passing point?

Mr. BOWEN. That would be determined by the engineer or conductor in charge of the train. They would know after getting the train started just what point they could make.

Mr. MARBLE. And if the trains were slow you could not run so close as if they were making time. Does that cause delays on each division?

Mr. BOWEN. No, sir.

Mr. MARBLE. Because you load to make the time?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. When you say 100 per cent, you mean 100 per cent of what?

Mr. BOWEN. What the engine is rated to handle.

Mr. MARBLE. Is that the full capacity or the total capacity of the engine?

Mr. BOWEN. No, sir.

Mr. MARBLE. What is that rating?

Mr. BOWEN. I do not know that I do understand what you want?

Mr. MARBLE. Where do you get that—where is it determined?

Mr. BOWEN. Furnished by the mechanical department, and after they furnish a theoretical rating for an engine we make practical tests to see how near it will come to handling it.

Mr. MARBLE. How do you make the practical tests?

Mr. BOWEN. By putting actual tonnage on the engine and sending men along with her to see how she handled it.

Mr. MARBLE. With all the engines?

Mr. BOWEN. No; engines of the same class.

Mr. MARBLE. Of engines of the same class?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. When you test one engine of a class you consider it good enough for all of that class?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. Do you ever find any necessity for setting cars out of freight trains to pick up cars which have been waiting in your yards, so as to equalize the delays of different cars?

Mr. BOWEN. Very seldom.

Mr. MARBLE. Once in a while?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. In times of congestion that would occur?

Mr. BOWEN. It would; but we have not had any congestion on this division since I have been here.

Mr. MARBLE. Have you been on other divisions?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. Was that done in times of congestion?

Mr. BOWEN. I never was on a division that was congested.

Mr. MARBLE. You have never been on a division that was congested?

Mr. BOWEN. No, sir.

Mr. MARBLE. Have you been on some of those western divisions?

Mr. BOWEN. I have been on those western divisions.

Mr. MARBLE. They should have kept you there?

Mr. BOWEN. No; I don't think so.

Mr. MARBLE. How is your coal supply?

Mr. BOWEN. Well, we probably have three or four days' supply on hand.

Mr. MARBLE. Three or four days' supply on hand? Is that in bins or in cars?

Mr. BOWEN. It is in cars.

Mr. MARBLE. You are using practically direct from the cars to the engine?

Mr. BOWEN. Yes, sir. That is, we run the car up to the chute and dump into the bin and from the bin to the engine, using it up as fast as it comes to us.

Mr. MARBLE. And you don't consider you save any time really by unloading it into the bins on account of using it so close to the cars? You handle it in a reasonable time?

Mr. BOWEN. The style of cars we are putting into the coal service—we have to unload them into the sheds in order to empty the cars.

Mr. MARBLE. Do you release your coal cars—in getting coal, do you release the cars promptly?

Mr. BOWEN. Yes, sir.
Mr. MARBLE. How long do they stand before unloading?
Mr. BOWEN. They don't stand at all, practically. Perhaps, I might say, that they might be in the yard twelve hours.
Mr. MARBLE. You are about four days ahead on the coal supply?
Mr. BOWEN. We probably have that much—probably had this morning.
Mr. MARBLE. Are you nearer your limit than you have been previously?
Mr. BOWEN. No; we are not. We have been closer. We have at times had only probably twenty-four hours' supply.
Mr. MARBLE. When was that?
Mr. BOWEN. Several times this fall.
Mr. MARBLE. Since last May, what is the longest time that you have been ahead in your coal supply?
Mr. BOWEN. I do not know that I could tell you. I have not wanted for coal until the last couple of months; there has been a shortage and I have not paid very much attention to that.
Mr. MARBLE. You consider that there is something of a shortage now in your coal supply?
Mr. BOWEN. Yes, sir.
Mr. MARBLE. Since last May can you estimate that you have ever been a week ahead?
Mr. BOWEN. I dare say we have been two weeks ahead.
Mr. MARBLE. Have you any coal dealers along your lines who have urged you to order coal and store it?
Mr. BOWEN. Ordered us?
Mr. MARBLE. Have they urged you to order coal and store it?
Mr. BOWEN. No; I do not know.
Mr. MARBLE. So that they could get coal hauled in the winter?
Mr. BOWEN. No.
Mr. MARBLE. Has not your road urged them to order coal, so that they would have plenty, and was that not reciprocated?
Mr. BOWEN. No; I do not know about that.
Mr. MARBLE. Mr. Bowen, did you bring some sheets with you?
Mr. BOWEN. Yes, sir.
Mr. MARBLE. Where are they?
Mr. BOWEN. In the room.
Mr. MARBLE. May we take those?
Mr. BOWEN. Yes, sir.
Mr. BEGG. Mr. Bowen, what is the character of cars that are now being used to haul company coal?
Mr. BOWEN. Character of cars?
Mr. BEGG. What kind?
Mr. BOWEN. Steel-ore cars.
Mr. BEGG. Hopper bottom?
Mr. BOWEN. Yes, sir.
Mr. BEGG. Those are not of a nature that could be used for commercial coal?
Mr. BOWEN. No; they could not be handled by the commercial shipper.
Mr. BEGG. So that by hauling coal now in that style of bottom cars you are not taking cars from the commercial trade?

Mr. BOWEN. No, sir.

Mr. BEGG. When speaking of taking seventy hours to get a train over your division, did you include that delay—the usual and ordinary delay in meeting trains over your division?

Mr. BOWEN. Yes, sir.

Mr. BEGG. That is all.

Commissioner LANE. Have you in previous years on your division had about the same amount of coal on hand at this time—as you have to-day?

Mr. BOWEN. Just about the same, I think.

Commissioner LANE. The company does not, along in the summer, the early summer, provide itself with a full supply of coal?

Mr. BOWEN. I presume the company makes provision for coal, but we can not handle a very large supply at our district terminals, and the fact that our cars are all released in the fall allows us to turn those cars into the service and release the box cars.

Commissioner LANE. And that is ordinarily done to supply your coal down there—with ore cars?

Mr. BOWEN. Yes, sir.

Commissioner LANE. There is nothing exceptional about that, then?

Mr. BOWEN. No.

Commissioner LANE. Has your division done that as a means of relieving box cars, etc., so that they could carry something else?

Mr. BOWEN. I do not think any more this year than usual.

Commissioner LANE. I got that impression that that was an emergency measure.

Mr. BOWEN. No; those cars are very nice for us to handle in our modern coal chutes.

Commissioner LANE. That is all.

Mr. MARBLE. The engines that carry those ore cars are, of course, the same sort of engines used on any other freight?

Mr. BOWEN. Oh, yes; the cars are moved in any train.

Mr. MARBLE. The equipment that it is transported with then could be used for any class of traffic?

Mr. BOWEN. The locomotives?

Mr. MARBLE. Yes, sir.

Mr. BOWEN. Yes, sir.

Mr. MARBLE. You have no car shortage on your division?

Mr. BOWEN. No, sir.

Mr. MARBLE. You have not had all this summer?

Mr. BOWEN. No, sir.

Mr. MARBLE. You don't know why the car shortage is on?

Mr. BOWEN. No, sir; I don't know why.

Mr. MARBLE. Can you explain that?

Mr. BOWEN. I can not.

Mr. MARBLE. You do not think that the complaints are idle that the farmers send in.

Mr. BOWEN. I do not think that they are idle, but there are some complaints that are made that I do not think are just.

Mr. MARBLE. Along what lines would you think so?

Mr. BOWEN. We have had complaints from different elevators at our stations, and we have sent our car agent. We have a man who goes over the division and simply looks after these complaints. Once

and a while we would receive a complaint from an elevator company that their agent advises they can not get a car and they are blocked. Our agent or perhaps the assistant superintendent or perhaps myself will visit the place and find that they are blocked on one kind of grain only. Now, complaints of this kind I do not think are just.

Mr. MARBLE. There are individual complaints of that kind to which you take exceptions?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. Where a line of elevators is filled with grain and if they have deposited grain beside the track in open bins and have made demand for from twenty to thirty days for cars and have not been able to get them, would you consider a complaint on such facts to be just?

Mr. BOWEN. It might be from one point of view, and from another it might not be.

Mr. MARBLE. What would be a valid excuse for a railroad to not furnish cars in such a case?

Mr. BOWEN. I think the expansion of the country and the increase in business would be a valid excuse for such a thing.

Mr. MARBLE. Why should it be that in your country there is no shortage of cars—neither delay nor shortage of cars—when in all these districts from Duluth out through North Dakota there is a manifest shortage of cars so far as the shippers are concerned, because they are unable to get them?

Mr. BOWEN. We make our own empties, as I stated before, and as a rule, taking all of our little towns along will have carloads set out from day to day enough to supply their wants.

Mr. MARBLE. You think it may arise from a difference in management?

Mr. BOWEN. No; I do not think it can.

Mr. MARBLE. I do not want you to criticise your fellows in railroad work, but I am anxious to know just what the reason is.

Mr. BOWEN. I do not think that is it. I do not think the difference in management does it, but the fact that we are fortunate in having carloads come in to unload and supply the elevators with. That is our good fortune, whereas these little western towns really don't get many carloads, and for their supply have to depend upon the quantity furnished them.

Mr. MARBLE. Where should those empties come from?

Mr. BOWEN. Well, they would come from the shippers. The people who load the cars and release them.

Mr. MARBLE. Might it not be that there was a preference in freight and for certain commodities which carry high rates there is absolutely no lack of cars, but on certain other commodities, which carry a low rate there is a deficit as to the car supply at the present time.

Mr. BOWEN. No; I do not think so. I think our commodity—grain—is one of the best commodities we can handle.

Mr. MARBLE. Undoubtedly; but it is a staple, and grain you are sure to handle, are you not, eventually? It is not something that anybody else can take away from you.

Mr. BOWEN. Oh, yes; others can take it away from us.

Mr. MARBLE. Certainly not at noncompeting points.

Mr. BOWEN. I do not know as to noncompeting points, but our whole line is practically competitive.

Mr. MARBLE. You have a good many places where it would not be so?

Mr. BOWEN. Oh, no.

Mr. MARBLE. You have not any explanation to give us as to conditions that prevail in the North, as distinct from conditions that prevail in the South?

Mr. BOWEN. No, sir.

Mr. MARBLE. That is all. Oh, yes; just one question. Do you understand that it is the policy of the road at all that a town shall have as many cars to load out as it ships in, so that the road will haul fewer cars both ways?

Mr. BOWEN. I think it is the policy of any company or firm to load a wagon or car, whichever it may be, at the point unloaded, if they can, without making an empty car haul.

Mr. MARBLE. Exactly. And if a town does not ship in as many cars as it ships out, it will have to suffer, because they have no empties to load and ship out.

Mr. BOWEN. I think they would have cause of complaint if they were discriminated against.

Mr. MARBLE. There has been a good deal of construction out west this year?

Mr. BOWEN. I think so; yes, sir.

Mr. MARBLE. That involves the shipment of railroad equipment out, does it not?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. Would not that account for a good many empties out there?

Mr. BOWEN. Well, a great deal of the material shipped for the construction of the road is on flat cars and gondolas, which, of course, could not handle grain.

Mr. MARBLE. Don't they, in building up toward the Pacific coast, in getting new machinery, do they or do they not ship in about as much freight from the East as they have to ship out, as a usual case?

Mr. BOWEN. No; I do not think so.

Mr. MARBLE. You think a new country does not ship in as much freight as the freight that they have to ship out, as compared with an old country?

Mr. BOWEN. No; because a new country has much more grain to handle, while generally with us the farmers have gone into diversified farming, and the grain is not handled there that used to be.

Mr. MARBLE. That might explain it.

Mr. BOWEN. Yes, sir.

Mr. BEGG. It is used as feed in your country, the grain and farm products, and fed to cattle and horses and live stock, and farmers ship them out?

Mr. BOWEN. Yes, sir.

Mr. BEGG. And that condenses the carloads?

Mr. BOWEN. Yes, sir. And distributes it over a different area, and different shipments.

Commissioner LANE. The same effect could be brought about—the effect that is brought about by transfer could be very well brought about by quicker movement of cars on the part of the railroad carrying to point of destination and bringing them back.

Mr. BOWEN. Why, I do not believe that I understand you.

Commissioner LANE. It takes, we will say, fifteen or twenty days to take a train load of wheat from Grand Forks to Duluth—perhaps a little less than that on the average. There is a great demand for cars in North Dakota. Is not it practicable to take these trains from Grand Forks to Duluth faster than the time they are now carried and bring back the empties for the grain in North Dakota, which demands them, and so have a sufficient supply of cars for the people in Dakota?

Mr. BOWEN. I think that is the way the business is handled up there.

Commissioner LANE. That is the way it ought to be handled.

Mr. BOWEN. I think that is the way it is handled for whatever commodities may be going west out of Duluth. It would not be policy to take an empty out when you could send it back loaded. It costs just as much and takes as long to handle an empty car as a loaded car.

Commissioner LANE. So far as the North Dakota products are concerned, if the car went through and if you would take the car that was loaded with grain going eastward and stop it at Duluth, and take on coal, and then send it back beyond North Dakota—took it to a farther western point, as an emergency, through the Dakotas, they might not be available for the purposes of Dakota?

Mr. BOWEN. No; I would not——

Commissioner LANE. What I am getting at is this: If it is not possible by expediting trains and making them move faster to make cars available for two loads instead of one?

Mr. BOWEN. That brings out the point that if you take trains in order to move fast—we will say cut them down to a greater extent than what we have, instead of running one train run two trains in each direction, on account of the increased number of trains, it would congest the ordinary lines and you could not get them over the road to advantage.

Commissioner LANE. How many cars do you put in a train ordinarily?

Mr. BOWEN. Our trains will average about 40 cars.

Commissioner LANE. Loaded cars?

Mr. BOWEN. On my division; yes, sir.

Commissioner LANE. At what rate do they generally haul 40 cars to the train?

Mr. BOWEN. We have trains that are scheduled a little better than 16 miles an hour, including stops and all, and with that kind of a train that would be about 1,500 tons.

Commissioner LANE. That is not your average—that is high speed?

Mr. BOWEN. A high speed train.

Commissioner LANE. What is the ordinary speed?

Mr. BOWEN. Our local trains are scheduled about 9 miles an hour. We figure, on our trains, to handle tonnage and make 10 miles an hour.

Commissioner LANE. You hold cars until you can make up a train of about 45 cars?

Mr. BOWEN. We do not have to hold them.

Commissioner LANE. You do not have to hold them?

Mr. BOWEN. No, sir.

Commissioner LANE. What is your practice?

Mr. BOWEN. Everything is turned over to us from connecting divisions almost in solid trains.

Commissioner LANE. And you don't have to break them up?

Mr. BOWEN. Yes; we have to break them up and set them in and make them up in station order.

Commissioner LANE. When you remake a train, you put in about the same number of cars as came in?

Mr. BOWEN. Yes; the cars are just the same all over the line.

Commissioner LANE. What is the policy of your division as to the movement of cars of freight that originate on your division? Do you let cars stand for a week or ten days until you can make up a train?

Mr. BOWEN. No, sir; our local trains all start out of terminals light enough to pick up the loads every day. Our through trains don't stop to pick them up at intermediate points, except in cases of damage to a car.

Commissioner LANE. You have no idea, of course, as to the number of cars set out as damaged?

Mr. BOWEN. Oh, no; but the percentage is very small.

Commissioner LANE. The percentage is very small on your division?

Mr. BOWEN. Yes, sir.

Commissioner LANE. That is all.

Mr. MARBLE. That is all.

(The witness was excused.)

HARLEY S. GROVER, called as a witness and being duly sworn, was examined and testified as follows:

Mr. MARBLE. Mr. Grover, where do you reside?

Mr. GROVER. Lisbon, N. Dak.

Mr. MARBLE. Where is Lisbon?

Mr. GROVER. Fifty-six miles southwest of Fargo, on the Fargo Southwestern, a branch of the Northern Pacific.

Mr. MARBLE. Is that a grain-marketing point?

Mr. GROVER. Yes, sir.

Mr. MARBLE. How many elevators have you?

Mr. GROVER. Five elevators and a flouring mill.

Mr. MARBLE. Have your elevators been supplied with cars this year?

Mr. GROVER. No, sir; not sufficiently.

Mr. MARBLE. Have any of them been filled?

Mr. GROVER. Yes, sir.

Mr. MARBLE. Any grain on the ground?

Mr. GROVER. No grain on the ground.

Mr. MARBLE. Have they been able to buy all season?

Mr. GROVER. No, sir.

Mr. MARBLE. Have all of them been closed at any time?

Mr. GROVER. There has been a few days that there was a few elevators that were not able to take any grain. As often as they could secure a car, then they take in the amount of grain they loaded out.

Mr. MARBLE. Do the farmers ship from your station without selling to the elevator?

Mr. GROVER. They would if they could get cars. They have not been able to get cars. The fact is we have a farmers' loading plat-

form, but farmers have not been able to get one car during the whole season.

Mr. MARBLE. Have they tried to?

Mr. GROVER. Yes, sir.

Mr. MARBLE. Have they sold more grain to the elevators than they would have done if they could get cars?

Mr. GROVER. Yes, sir.

Mr. MARBLE. They have been able to sell to the elevators all that they chose?

Mr. GROVER. No, sir.

Mr. MARBLE. Some of the time they could not take their grain?

Mr. GROVER. Yes, sir; the farmers would find out—they have rural deliveries, and they would find out when the elevators could take the grain. Had the elevators been able to take in the grain or had they been able to secure cars, their shipments would have been larger.

Mr. MARBLE. Have the farmers been able to sell more grain than they have been able to ship?

Mr. GROVER. Yes, sir.

Mr. MARBLE. Do you know the effect upon the market—upon the price?

Mr. GROVER. Ransom County raises more durum wheat than any county in the State, and during the month of November the Duluth price—I think nearly all the month—was 74 cents, while the December price was 64 cents. So that the elevators there were unable to secure cars, and they had to purchase the wheat on December options all through the month of November.

Mr. MARBLE. The Commission will remember, in the grain investigation we had that testimony from the elevator men. They were buying durum on a very wide margin, because they could not fairly hope to get it to market in November.

Mr. GROVER. That made a difference of about 9 cents a bushel.

Mr. MARBLE. Have you had complaint of the length of time cars were in transit?

Mr. GROVER. Yes, sir.

Mr. MARBLE. What was that complaint?

Mr. GROVER. The Lisbon Elevator Company loaded car No. 5603 on October 13, for Duluth, and it was unloaded on November 26, and the other elevators also informed me that they had the same trouble.

Commissioner LANE. Is that an exceptional case?

Mr. GROVER. This one—yes, sir.

Commissioner LANE. What is the ordinary time?

Mr. GROVER. Last year we could get returns easily in ten days, but this year it has run from twenty to thirty days.

Commissioner LANE. Does that mean it takes cars twenty to thirty days to get to Duluth and be unloaded?

Mr. GROVER. There seems to be considerable time elapse between the time the car arrives at Duluth and is inspected and the time it is unloaded.

Commissioner LANE. It is not inspected in Duluth, is it?

Mr. GROVER. Nearly all of it. I understand of late—I have a letter here now—one car was inspected at Staples. This is something new to me. I do not know the reason why.

Mr. MARBLE. Have you had experience with cars being loaded and not being hauled out promptly?

Mr. GROVER. Yes, sir.

Mr. MARBLE. Tell us of that.

Mr. GROVER. I came from Buttzville, a station about 8 miles from Lisbon, last evening, and it seems that on December 8 there were 5 empty cars put in on the siding. They were simply put in, I suppose, to get out of the way; and the elevator—the Great Western elevator agent—noticed the cars. He hired a farmer, with his team, to haul the cars to his elevator. He loaded the 5 cars on the 8th day of December, and yesterday as I passed through there the 5 cars were standing, loaded, on the side track.

Mr. MARBLE. Have they been billed, do you know—billed out?

Mr. GROVER. I did not ask the agent. I think they were, no doubt, because there is an agent at that point.

Mr. MARBLE. Any other instances?

Mr. GROVER. Yes, sir; several instances of where the cars were loaded and left on the track three or four days before being taken out.

Mr. MARBLE. You have got a memorandum here, "No freight in Lisbon until Monday, the 10th, then only two cars of coal." Is that correct?

Mr. GROVER. Yes, sir.

Mr. MARBLE. No freight at all?

Mr. GROVER. No, sir.

Mr. MARBLE. What is the trouble?

Mr. GROVER. Heavy snow. We have in that locality about 1½ to 2 feet of snow, and I think the freight was stalled. Heretofore I have noticed that the engines have always had the small snowplow on, and this winter they have not been put on their engines; and my attention was called, while taking the train last evening, to the fact that the large cars—the furniture cars—they are large cars, and they are about a foot and a half wider than the engine, and also they are low, so that an engine without a pilot snowplow can not pull through a small amount of snow. It will stall them, because the engine will pass over the drift and the cars will catch hold of the drift and simply stop; and this small train got stalled in that manner, and finally, after about two days' work, they pulled out two cars and took them into Lisbon, being the first two we have received—two cars received Monday being the only two that have arrived since the Monday preceding.

Mr. MARBLE. It being your idea that if the engines were equipped as they usually are that would not have occurred?

Mr. GROVER. Yes.

Mr. MARBLE. Have you investigated the condition of the engines?

Mr. GROVER. I have heard comment on it several times and have talked with railroad employees; yes, sir.

Mr. MARBLE. Have you talked with engineers and firemen—men acquainted with the engines?

Mr. GROVER. No, sir.

Mr. MARBLE. What railroad employees?

Mr. GROVER. Employees at Lisbon.

Mr. MARBLE. Their observation being that the engines were in bad order?

Mr. GROVER. Yes, sir.
Mr. MARBLE. You did not talk with the engine men?
Mr. GROVER. No, sir.
Mr. MARBLE. Your mill has been shut down there, hasn't it?
Mr. GROVER. Yes, sir.
Mr. MARBLE. How long?
Mr. GROVER. The mill has shut down once or twice for a short time, but it just—I think, Saturday night—they closed down for an indefinite time. The mill has been running night and day. They closed down on account of the inability to secure coal, and also on account of their inability to secure cars to ship the flour, their storehouses being full at the present time.
Mr. MARBLE. How much grain is in store in your town—do you know?
Mr. GROVER. About 220,000 bushels, which is the capacity of the five elevators and the mill.
Mr. MARBLE. Just about full?
Mr. GROVER. Yes, sir.
Mr. MARBLE. Do you know how much grain there is in the country—what percentage of the crop?
Mr. GROVER. Mr. Weiser—I replied to Mr. Weiser's postal card that he sent out, and my estimate was that there was 50 per cent in the farmers' hands, and 10 per cent in the elevator hands, and 40 per cent had been shipped out; and, in talking with other parties, they think my estimate was not high enough. They think 60 per cent of the grain in Ransom County is in the farmers' hands.
Mr. MARBLE. And the elevators told you the amount of grain the elevators have?
Mr. GROVER. Yes, sir; one agent stated that he believed he had refused 20,000 bushels of grain; another one 10,000 bushels, on account of not being able to store it.
Mr. MARBLE. Are you acquainted with the coal situation in your town?
Mr. GROVER. Yes, sir.
Mr. MARBLE. What is that—what has it been recently?
Mr. GROVER. I do not know that there has been any suffering, but I do know that there has been no coal for sale in Lisbon since Monday a week ago up until yesterday, and then two cars arrived. An engine came in with them. They did not have the billing of the cars. One dealer discovered that one car belonged to him by the car number and immediately opened the car, and farmers' teams lined up. I saw with my own eyes teams lined up waiting to get coal, and by night the car was empty.
Mr. MARBLE. Have you talked with your coal men or investigated the length of time coal has been in transit?
Mr. GROVER. Yes, sir; we received a statement from all of our coal dealers.
Mr. MARBLE. Is it here?
Mr. GROVER. Yes, sir; I have mislaid the statement.
Mr. MARBLE. First, from whom does that statement come?
Mr. GROVER. M. O. Colton, a fuel dealer.
Mr. MARBLE. Was it made for the purpose of this investigation?
Mr. GROVER. Yes, sir.
Mr. MARBLE. And given to you to bring here?

Mr. GROVER. Yes, sir; at my request.

Mr. MARBLE. What is that statement?

Mr. GROVER. He claims to have received 19 cars of fuel since September 1. He has cars shipped by M. A. Hanna & Co., St. Paul, December 3—shipped from Superior, but not received. One car was shipped on the 4th and 1 on the 6th. He has orders in for 9 cars, besides 2 cars of wood shipped from Northome the 6th and 8th of December, and 1 car from Cromwell, Minn., on the 3d of December, and not received.

Mr. MARBLE. That statement was made out when?

Mr. GROVER. On the 15th of December.

Mr. MARBLE. Have you investigated the condition at the banks in your town?

Mr. GROVER. Yes, sir; I have just—it is simply the bank I am interested in, the State Bank of Lisbon, of which I am cashier. Our loans have increased $35,000 since September 1. On September 1 our loans were $285,000, and to-day they are $320,000.

Mr. MARBLE. How about your deposits? Are they increasing?

Mr. GROVER. Deposits have decreased in the past sixty days. They increased during the month of September, but have decreased during the months of October, November, and December.

Commissioner HARLAN. How does that compare with last year?

Mr. GROVER. Just the opposite. As a rule, our deposits increase as soon as the grain commences to move, and our loans decrease. I have been connected with the bank I am in for the past twenty years, and this has not occurred before. The loans have always decreased during the fall and deposits increased heretofore.

Mr. MARBLE. You have here a statement from Elliott station; that is correct, is it?

Mr. GROVER. Yes, sir.

Mr. MARBLE. And I will read it as a part of your testimony:

Elliott station, 8 miles west of Lisbon. Agent Andrews, of Andrews & Gage, Elliott, informs me that he secured in November 2 cars for grain and 2 cars so far in December. Has a bin of hot flax, and gave a rush order eight or nine days ago, and can not get cars to ship. Has orders in for 5 cars of fuel; 1 car of coal shipped on November 28 and car of wood on the 5th not yet received. No fuel in the town and several farmers in to-day for fuel: one farmer that was all out he loaned a barrel of coal out of his own bin.

Ira Warren has shipped 2 cars from Stirum. Stirum, 10 miles; Elliott, 3 miles. Several farmers have been able to secure cars at Stirum, but none at Elliott.

Three elevators at Elliott; capacity, 20,000, 20,000, and 10,000 bushels; total, 50,000 bushels, and all full and can take in no more until cars are delivered.

(The above was marked "Exhibit No. 2 to Mr. Grover's testimony," and is filed herewith.)

Mr. MARBLE. This is a statement [handing paper to witness] showing conditions at Lisbon, which you have written out?

Mr. GROVER. Yes, sir.

Mr. MARBLE. And the statements are true?

Mr. GROVER. Yes, sir; this statement was made out by the secretary of the Sorenson Milling Company.

Mr. MARBLE. For the purposes of this investigation?

Mr. GROVER. Yes, sir.

Mr. MARBLE. And sent down by you?

Mr. GROVER. Yes, sir.

Mr. MARBLE (reading):

LISBON, *December 15, 1906.*

A few facts in regard to the railroad company at Lisbon. Since September 1, 1906, the Sorenson Milling Company have had 29 cars for grain at Lisbon, and for flour we have not had enough to keep us going. We had to build a new warehouse that holds 14 carloads of flour, and that is full and all the room we have at the mill. If we had not built this warehouse we would have had to stop the mill six weeks ago. Up to the present time we have had to close our mill down twice for the want of coal, and to-day, the 15th of December, we have closed for good, as we are out of coal and nothing to keep the boiler from freezing up. And that with a coal contract for 5,000 tons with the M. A. Hanna Coal Company, of St. Paul, and they tell us they have plenty of coal, but can't get the cars to ship out in. We have had the shipping directions on a car of coal since the 10th of December and the car has not reached us to-day, the 17th of December. Last week we had to loan to different parties to keep them from freezing three to four sacks of coal, and now we are all out and not a pound of coal in the city.

In Englevale, N. Dak., we have a new elevator of 40,000 pounds capacity, and up to this writing we have had just 6 empty cars spotted at the elevator, and we have been full of grain for four weeks. Just to show how some of the cars we have loaded out of Lisbon travel, we give the number of 2 cars, that you can see how fast the time from Lisbon to Duluth is. On the 13th of October we shipped Soo car No. 9288 from here to Duluth and this car arrived at Duluth on the 27th of November. On October 27 we shipped a car, No. 33733, and this car arrived here on the 27th of November. This is just a few of the cases where the cars have been so long on the road. Now, all macaroni wheat after the 10th of November in Duluth was from 70 to 73 cents per bushel for all that arrived in Duluth in November. On account of not being able to get cars to ship the wheat out in we could not sell any at this price, and all they would give us for the same wheat for December delivery was 64 cents, a difference of 6 to 9 cents loss to the elevator and the farmer per bushel. More to the farmers, as the elevators bought most of the grain on the December basis, as they knew they could not depend on the cars to ship out in. South Ransom County raises about 5,000,000 bushels of Durum; the loss to the farmers is about $300,000 by the railroad company not furnishing cars.

Yours, respectfully,

SORENSON MILLING CO.
By H. SORENSON, *Secretary.*

(The above was marked "Exhibit No. 3, to Mr. Grover's testimony, and is filed herewith.)

Mr. MARBLE. This is a statement [handing paper to witness] prepared by the Lisbon Elevator Company for you to bring down. The statement is as follows:

LISBON, N. DAK., *December 15, 1906.*

Cars loaded: 1905, from September 1 to December 15, 67; 1906, from September 1 to December 15, 40. Have had 1 car so far this month (1 car December 3). Elevator has been full since September 15. Could do no business except when I could get a car and that would be while filling a car, which took from three hours to one day. Have been asking for cars all the time. Railroad company has been very slack about taking out cars when loaded. Many of them stand on the track here from two or three days to two or three weeks before being taken out. Most of the carloads coming into Lisbon have been unloaded promptly, but in some cases it would be two or three days before the empty car would be placed so it could be loaded. All cars have been loaded promptly when placed.

(The above was marked "Exhibit No. 4" to Mr. Grover's testimony, and is filed herewith).

Mr. MARBLE. Here are two letters to Mr. W. Rawson, of Lisbon, N. Dak. The letters are as follows:

MCCARTHY BROTHERS COMPANY,
Duluth, Minn., November 23, 1906.

W. RAWSON, *Lisbon, N. Dak.*

DEAR SIR: The railroad companies have been giving miserable service this fall, and conditions in the yards at the heads of the lakes seem to be wor

the grain registered in at Breckenridge until it registered in at Wayzata?

Mr. BOWEN. Oh, no; I should say seventy.

Mr. MARBLE. Do you think that is entirely reasonable and practical?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. Have you actually accomplished such results this fall?

Mr. BOWEN. Yes.

Mr. MARBLE. Have you plenty of fuel?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. You are not short of fuel?

Mr. BOWEN. No, sir.

Mr. MARBLE. Not on any road under your charge?

Mr. BOWEN. No, sir.

Mr. MARBLE. Are you short of cars for local business?

Mr. BOWEN. No, sir; not to speak of.

Mr. MARBLE. Practically not at all?

Mr. BOWEN. Practically not at all.

Mr. MARBLE. How heavily do you load your engines?

Mr. BOWEN. Well, our practice—we have been loading 70 per cent of what the engines are rated at.

Mr. MARBLE. Seventy per cent? How long have you been handling them at 70 per cent?

Mr. BOWEN. Well, practically all the fall.

Mr. MARBLE. The testimony yesterday, if I remember it rightly, was that engines are going into Duluth and Superior loaded to 85 or 90 per cent.

Mr. BOWEN. I do not know what they are doing at Duluth.

Mr. MARBLE. Take the division west of that.

Mr. BOWEN. I do not know what they are doing.

Mr. MARBLE. You have instructions issued to load to 70 per cent?

Mr. BOWEN. We have not any such instructions.

Mr. MARBLE. That is your practice?

Mr. BOWEN. Yes, sir; and we have perhaps one of the easiest divisions on the system to get trains over. We have to work with a grade of one-tenth of 1 per cent.

Mr. MARBLE. You load your engines to 70 per cent only?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. Would you think it wise to load them heavier?

Mr. BOWEN. It might be for some reasons, but for handling business promptly, I do not think it is.

Mr. MARBLE. You can handle business more promptly by loading about 70 per cent?

Mr. BOWEN. In some cases; yes, sir.

Mr. MARBLE. It is now done?

Mr. BOWEN. At this time of the year; yes, sir.

Mr. MARBLE. Take it through October.

Mr. BOWEN. In the fall months when there is frost we can handle 70 per cent much better than we can with a full tonnage rating of the engine. In the summer time when it is dry and good rail, our engines can handle what they are rated at and make the same time.

Mr. MARBLE. How do you load the engines in the summer time when the rails are dry?

Mr. BOWEN. We give them 100 per cent of the rating.

Mr. MARBLE. I ask how long you have been loading engines 70 per cent. How long did you say?

Mr. BOWEN. Perhaps since the freezing weather set in. I could not tell you offhand just when that was.

Mr. MARBLE. And you load them 100 per cent when the rails are dry?

Mr. BOWEN. Yes, sir.

Commisisoner LANE. Is that usual, each winter?

Mr. BOWEN. Sir?

Commissioner LANE. Each winter do you have an order to change from 100 to 70 per cent?

Mr. BOWEN. Sometimes we can not handle more than from 40 to 50, perhaps. The weather conditions govern it.

Commissioner LANE. You are the judge of those conditions?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. If you overloaded an engine, what would be the result?

Mr. BOWEN. Well, there are times when that engine will take beyond her rated capacity and there are other times when you have to double or reduce.

Mr. MARBLE. If you overloaded an engine, what would result to the time that you would make over the division?

Mr. BOWEN. You overloaded an engine so she could not start?

Mr. MARBLE. If you overloaded an engine enough so it could start but slowly, on account of that heavier load, then would the train be slow?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. Would the liability to accidents be greater?

Mr. BOWEN. No, sir.

Mr. MARBLE. Would the train require more headway if going against a passenger train?

Mr. BOWEN. More headway—I do not catch your meaning.

Mr. MARBLE. I mean to say, with a heavy train coming from Minneapolis and a passenger train going to Minneapolis, would you have to allow that heavy train more headway as against the passenger train; would it have to have more time to be sure of making the passing point?

Mr. BOWEN. That would be determined by the engineer or conductor in charge of the train. They would know after getting the train started just what point they could make.

Mr. MARBLE. And if the trains were slow you could not run so close as if they were making time. Does that cause delays on each division?

Mr. BOWEN. No, sir.

Mr. MARBLE. Because you load to make the time?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. When you say 100 per cent, you mean 100 per cent of what?

Mr. BOWEN. What the engine is rated to handle.

Mr. MARBLE. Is that the full capacity or the total capacity of the engine?

Mr. BOWEN. No, sir.

Mr. MARBLE. What is that rating?

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Mr. BOWEN. What the engine is rated to handle.

Mr. MARBLE. Is that the full capacity or the total capacity of the engine?

Mr. BOWEN. No, sir.

Mr. MARBLE. What is that rating?

Mr. CARLBLOM. Minneapolis, St. Paul and Sault Ste Marie.
Mr. MARBLE. What is your business?
Mr. CARLBLOM. General merchandise and banking.
Mr. MARBLE. Are you acquainted with the grain situation in your town?
Mr. CARLBLOM. Yes, sir.
Mr. MARBLE. And with the car supply in your town?
Mr. CARLBLOM. Yes; a little.
Mr. MARBLE. And how has the car supply of your town been this year?
Mr. CARLBLOM. Well, about half the time the elevators have been closed for want of capacity. There are three elevators.
Mr. MARBLE. Has that had any effect on the price paid for grain?
Mr. CARLBLOM. I think it has, some.
Mr. MARBLE. Do you know how much?
Mr. CARLBLOM. I think the margin—they both had a larger margin this year than they used to.
Mr. MARBLE. Do you know how much larger?
Mr. CARLBLOM. About 2 cents, perhaps.
Mr. MARBLE. Is that because of the shortage of cars, do you know?
Mr. CARLBLOM. Why, the people seem to think so in the locality.
Mr. MARBLE. Do the elevator men say so?
Mr. CARLBLOM. I have not heard them say so.
Mr. MARBLE. Have you had any statement as to the length of time it took cars to get from your point to Duluth?
Mr. CARLBLOM. No, I have not.
Mr. MARBLE. You have not looked into that?
Mr. CARLBLOM. I had a car of flour ordered from Oaks loaded on Monday, and I did not receive it for six days, and it is only 21 miles. I received the shipping bill for it. It is now been in the yards for nearly six days.
Mr. MARBLE. Twenty-one miles that flour has to travel?
Mr. CARLBLOM. Yes, sir.
Mr. MARBLE. And it took six days to be delivered?
Mr. CARLBLOM. Yes, sir.
Mr. MARBLE. Do you know anything about the cars being loaded and standing on the track after being loaded; did you notice that sort of thing?
Mr. CARLBLOM. No, sir; not there. I think they have been shipped out.
Mr. MARBLE. What is the coal situation in your town?
Mr. CARLBLOM. Yesterday, when I left there, I found there was on hand three tons of hard coal. We have not had any soft coal for six weeks; and no wood for about six weeks.
Mr. MARBLE. How long would 3 tons of hard coal last?
Mr. CARLBLOM. I do not suppose it would last very long; I suppose it was sold yesterday.
Mr. MARBLE. Did you talk with your coal dealers as to the situation?
Mr. CARLBLOM. Yes, sir.
Mr. MARBLE. What did they tell you?
Mr. CARLBLOM. I wrote to the Forbes Elevator Company, of this city, and told them about the situation. They replied they had had some cars in transit from three to six weeks, and that they could not help it; that the railroads could not get it through.

Mr. MARBLE. Cars in transit from three to six weeks? How far are you from Duluth?
Mr. CARLBLOM. In the neighborhood of 300 miles, I think.
Mr. MARBLE. That is all.
(Witness was excused.)

JOHN POWERS, called as a witness and being duly sworn, was examined and testified as follows:

Mr. MARBLE. Your name is John Powers?
Mr. POWERS. Yes, sir.
Mr. MARBLE. You reside at Havana, N. Dak.?
Mr. POWERS. Yes, sir.
Mr. MARBLE. What is your business, sir?
Mr. POWERS. Well, I run a creamery there and a wood yard.
Mr. MARBLE. A coal yard?
Mr. POWERS. No, sir.
Mr. MARBLE. Do not sell coal?
Mr. POWERS. No, sir.
Mr. MARBLE. Are you in the grain business at all?
Mr. POWERS. No, sir.
Mr. MARBLE. Are you acquainted with the shipping conditions at your town this fall?
Mr. POWERS. I am to a certain extent.
Mr. MARBLE. What have those conditions been?
Mr. POWERS. Well, very poor, in regard to getting cars. The elevators claim they are all short of cars.
Mr. MARBLE. Have your elevators been full of grain?
Mr. POWERS. Well, they have been full most all fall, but there is hardly any day but what they get it in—some kinds of grain.
Mr. MARBLE. Some kinds?
Mr. POWERS. There are some kinds that they could not take in.
Mr. MARBLE. Do you know whether the kinds that they could not take in were the kinds usually marketed at your town?
Mr. POWERS. Yes, sir.
Mr. MARBLE. They got filled up with those kinds that form the bulk raised around your place?
Mr. POWERS. Yes, sir.
Mr. MARBLE. And then could buy no more of that sort of grain?
Mr. POWERS. No.
Mr. MARBLE. Were farmers wanting to sell grain who could not?
Mr. POWERS. Well, I do not know that they ever had to take any away from there—there are three elevators.
Mr. MARBLE. Do you know what the price has been—how that has been affected?
Mr. POWERS. Well, I hear the farmers complaining that it has reduced the price by having a scarcity of cars.
Mr. MARBLE. Have you talked with the elevator men at all?
Mr. POWERS. Yes.
Mr. MARBLE. What did they say?
Mr. POWERS. One of them claimed it had fell off a point, and give them a bigger margin.
Mr. MARBLE. Did he tell you how much bigger?
Mr. POWERS. No; he did not say.

Mr. MARBLE. How much grain is marketed at your town in a year?
Mr. POWERS. About 120 cars, they told me.
Mr. MARBLE. On what railroad are you?
Mr. POWERS. The Great Northern.
Mr. MARBLE. And on what branch of the Great Northern?
Mr. POWERS. The Aberdeen branch.
Mr. MARBLE. Did I ask you about the coal situation in your locality?
Mr. POWERS. There is not any coal there at present.
Mr. MARBLE. What are you burning for fuel?
Mr. POWERS. They are burning wood. There is no coal on sale. A car came in last week and all went out Saturday.
Mr. MARBLE. How long have you been short of coal?
Mr. POWERS. It has been short—they have not had any supply of coal there for sale in two months. When they get in a car it goes right out.
Mr. MARBLE. Have you discussed that matter with your coal dealers?
Mr. POWERS. The coal dealers there have been notified that they would be shipped coal just as soon as they could get cars to ship it.
Mr. MARBLE. You do not understand they have any on the way?
Mr. POWERS. No; none reported on the way.
Mr. MARBLE. Where do you get your wood from?
Mr. POWERS. We get it mostly from Long Prairie, Minn.
Mr. MARBLE. Do you get cars for that readily?
Mr. POWERS. No, sir; I have had an order in for wood down there about ten days, and the shipper reported that he would load as soon as he could get a car to ship.
Mr. MARBLE. Long Prairie is on the Great Northern road, is it not?
Mr. POWERS. Yes, sir.
Mr. MARBLE. Do you know which branch?
Mr. POWERS. No; I do not know what branch they do call that.
Mr. MARBLE. Your other business—your creamery business—have you had a shortage of transportation?
Mr. POWERS. No, sir.
Mr. MARBLE. You have not been affected in that?
Mr. POWERS. No; they run a refrigerator car one day a week—every Tuesday.
Mr. MARBLE. On that you have been served promptly?
Mr. POWERS. Yes, sir.
Mr. MARBLE. And there is no suffering in your country for want of fuel?
Mr. POWERS. No, sir.
Mr. MARBLE. That is all.
Mr. BEGG. Mr. Powers, you spoke of the elevators being blocked on account of their capacity for one class of grain. That was always the highest grade of grain, wasn't it?
Mr. POWERS. Well, it was—sometimes one elevator would be blocked probably on flax.
Mr. BEGG. It was not different grades of any kind of grain, as of wheat?
Mr. POWERS. I could not say it was.
Mr. BEGG. Just on account of the wheat bin or flax bin being filled in the same elevator?
Mr. POWERS. Yes, sir.

Mr. MARBLE. You understand that the price of grain was reduced?
Mr. POWERS. Yes, sir.
Mr. MARBLE. That is all.
(Witness was excused.)

J. E. PHELAN, called as a witness, and being duly sworn, was examined and testified as follows:

Mr. MARBLE. Where do you reside?
Mr. PHELAN. Dickinson, N. Dak.
Mr. MARBLE. What is your business?
Mr. PHELAN. Live-stock business.
Mr. MARBLE. Are you a shipper of live stock?
Mr. PHELAN. Yes, sir.
Commissioner LANE. From what point in North Dakota?
Mr. PHELAN. Dickinson.
Mr. MARBLE. And how long have you been in the live-stock business?
Mr. PHELAN. About fourteen years.
Mr. MARBLE. Have you ever been in the railroad business?
Mr. PHELAN. Yes, sir.
Mr. MARBLE. When?
Mr. PHELAN. Oh, from 1873 until 1895.
Mr. MARBLE. On what roads?
Mr. PHELAN. Lake Shore, Michigan Southern, and Northern Pacific.
Mr. MARBLE. And in what capacity?
Mr. PHELAN. From locomotive fireman to division superintendent?
Mr. MARBLE. In your experience, as a shipper of live stock, this season, did you have to wait for cars?
Mr. PHELAN. I consider, under the circumstances, I was very well treated in cars this season.
Mr. MARBLE. And as to the running time?
Mr. PHELAN. Well, it would average about a day longer getting from our shipping point to Chicago than it would usually, as in former years. We had to allow a day longer to get on the market—twenty-four hours.
Mr. MARBLE. Have you had any experience after loading cars, of having to wait before you had power or before the train was made up to go?
Mr. PHELAN. Just one trip?
Mr. MARBLE. What was that experience?
Mr. PHELAN. Now, I shipped to the Chicago market in the neighborhood of 200 cars, more or less. Just one shipment was delayed after loading on account of poor dispatching at the time; and then we were hampered by the dispatcher getting orders to do way work—picking up a dead engine. We got down to Mandan and we had orders for a locomotive. This is the only experience of delay I had on the Northern Pacific this year.
Mr. MARBLE. Have you known of other shippers having to wait for cars this year?
Mr. PHELAN. Yes; quite frequently.
Mr. MARBLE. At what points?
Mr. PHELAN. Well, at various points.
Mr. MARBLE. A general complaint?

Mr. PHELAN. Well, not as general as it was in former years.

Mr. MARBLE. Better than in former years?

Mr. PHELAN. Three years ago it was very bad; a year ago it was quite good, and this year, why I think every effort was put forth to handle the stock business to the best advantage. May I go ahead and explain the conditions?

Commissioner LANE. Was the stock moved later in the year this year than it has been?

Mr. PHELAN. No; it commenced to move quite early this year, but the main delay was caused by running these cars through to Chicago, having to wait for them to return.

Commissioner LANE. The testimony of yesterday was, as I remember it, that live stock was moved much later this year, causing more congestion.

Mr. PHELAN. No; live stock commenced to move in July this year. Usually the live stock movement is in September and October, while some of it is moving yet—moving very late this year, part of it, but the movement is very late; the bulk of it moved in September and October.

Mr. MARBLE. Is this an article [handing part of a newspaper to witness] prepared by you and printed by you in the Fargo Forum and Daily Republican under date of Thursday, October 11, 1906?

Mr. PHELAN. Yes, sir.

Mr. MARBLE. And this article I have shown you, printed in the Fargo Forum in October, 1906, was written by you?

Mr. PHELAN. Yes, sir.

Mr. MARBLE. You have here in this article the statement that—

> One man I found who has spent weeks in rounding up his small herd, and after taking it to the railroad and waiting several days for cars, returned them to the range and turned them loose again. En route to the market this year shippers told me that it is a scramble in which uncertainties prevail. One shipper, after loading, was held at the loading point eight hours, awaiting more loading, for more cars, but time waited not, and the twenty-eight or thirty-six hour limit expired not far down the road and the cattle were unloaded to repeat the operation. This shipper had been waiting three hours at Belt Line Junction for a switch engine to take his train to Mr. Hill's Twin City yards, when I met him.

What do you mean by the twenty-eight or thirty-six hour limit?

Mr. PHELAN. That alludes to the Great Northern shipment. The twenty-eight hours is the Federal requirement for cattle to be unloaded after being twenty-eight hours on the car.

Mr. MARBLE. And when does this time limit commence?

Mr. PHELAN. I think some of them would be a guess. It necessarily runs from the time it is placed on the bill of lading, as having been loaded, which is the actual loading time; and there is an extension of that to thirty-six hours by the shipper signing the request to extend to thirty-six hours. They can remain on the car thirty-six hours.

Mr. MARBLE. Is that law generally observed in the shipping of cattle?

Mr. PHELAN. It is observed too strictly, very often, from my standpoint.

Mr. MARBLE. That is, it compels you to unload them before reaching destination. You have to unload them in that time, when otherwise you could get through and finish your journey?

Mr. PHELAN. And get to a particular destination. It would expedite the car movement greatly if that law was not too strictly enforced.

Mr. MARBLE. (Reading):

One stock train was held over twenty-four hours at a terminal before unloading, after the thirty-six-hour limit had expired, but as time loading and unloading doesn't count, the letter of the law was complied with, and all they had to do was to forget about any possible damage to the stock.

Now, do I understand that one car was held at a station after the thirty-six hour limit had expired?

Mr. PHELAN. A shipper told me that occurred at Larimore, waiting for a chance to unload in the yard, because the yard was congested, or congested switch engines, or some other cause—did not get around to unload.

Mr. MARBLE (reading):

Two years ago on the Northern Pacific line similar conditions prevailed, but at their worst they did not show anything like the abandon or disregard for the shippers' interest displayed on the Great Northern.

Mr. PHELAN. That is right.

Mr. MARBLE. You considered the Great Northern has not been properly conducted?

Mr. PHELAN. I never did—very good. I drove my cattle 120 miles to the Northern Pacific, when I could reach the Great Northern in 40 miles.

Mr. MARBLE. Speaking of the Northern Pacific this year you say that—

This year the traffic and executive departments of the Northern Pacific made preparations to take care of live-stock shipments in building new cars and placing them in service. The early shipments were successful until the available supply of cars reached the eastern terminals, but on the return trip stock cars were scattered and congested en route between St. Paul and Montana, principally east of Mandan.

Is that still your opinion—that the scattering took place?

Mr. PHELAN. Yes, sir; undoubtedly.

Mr. MARBLE. You say (reading):

And a week in advance of a shipment there were 700 cars, or more cars en route to fill a week's orders for 600, but when loading dates arrived the cars were yet coming, but not arrived.

Mr. PHELAN. That is right.

Mr. MARBLE. You have had that trouble?

Mr. PHELAN. That is a fact.

Mr. MARBLE. Have you had trouble in having your cattle get into market in a sort of a clean-up rush, instead of having them go in a regular stream?

Mr. PHELAN. I got caught on one rush of that kind this year.

Mr. MARBLE. Did it cause you a loss?

Mr. PHELAN. A very serious loss.

Mr. MARBLE. And you count that a failure of transportation that the cattle do not go in a steady stream?

Mr. PHELAN. Failure of general transportation; yes, sir.

Mr. MARBLE. Where was that failure—on what road?

Mr. PHELAN. It is all roads—all roads—general demoralization on all roads, as near as I can view the matter.

Mr. MARBLE. You count it a demoralization?

Mr. BOWEN. No, sir.

Mr. BEGG. When speaking of taking seventy hours to get a train over your division, did you include that delay—the usual and ordinary delay in meeting trains over your division?

Mr. BOWEN. Yes, sir.

Mr. BEGG. That is all.

Commissioner LANE. Have you in previous years on your division had about the same amount of coal on hand at this time—as you have to-day?

Mr. BOWEN. Just about the same, I think.

Commissioner LANE. The company does not, along in the summer, the early summer, provide itself with a full supply of coal?

Mr. BOWEN. I presume the company makes provision for coal, but we can not handle a very large supply at our district terminals, and the fact that our cars are all released in the fall allows us to turn those cars into the service and release the box cars.

Commissioner LANE. And that is ordinarily done to supply your coal down there—with ore cars?

Mr. BOWEN. Yes, sir.

Commissioner LANE. There is nothing exceptional about that, then?

Mr. BOWEN. No.

Commissioner LANE. Has your division done that as a means of relieving box cars, etc., so that they could carry something else?

Mr. BOWEN. I do not think any more this year than usual.

Commissioner LANE. I got that impression that that was an emergency measure.

Mr. BOWEN. No; those cars are very nice for us to handle in our modern coal chutes.

Commissioner LANE. That is all.

Mr. MARBLE. The engines that carry those ore cars are, of course, the same sort of engines used on any other freight?

Mr. BOWEN. Oh, yes; the cars are moved in any train.

Mr. MARBLE. The equipment that it is transported with then could be used for any class of traffic?

Mr. BOWEN. The locomotives?

Mr. MARBLE. Yes, sir.

Mr. BOWEN. Yes, sir.

Mr. MARBLE. You have no car shortage on your division?

Mr. BOWEN. No, sir.

Mr. MARBLE. You have not had all this summer?

Mr. BOWEN. No, sir.

Mr. MARBLE. You don't know why the car shortage is on?

Mr. BOWEN. No, sir; I don't know why.

Mr. MARBLE. Can you explain that?

Mr. BOWEN. I can not.

Mr. MARBLE. You do not think that the complaints are idle that the farmers send in.

Mr. BOWEN. I do not think that they are idle, but there are some complaints that are made that I do not think are just.

Mr. MARBLE. Along what lines would you think so?

Mr. BOWEN. We have had complaints from different elevators at our stations, and we have sent our car agent. We have a man who goes over the division and simply looks after these complaints. Once

and a while we would receive a complaint from an elevator company that their agent advises they can not get a car and they are blocked. Our agent or perhaps the assistant superintendent or perhaps myself will visit the place and find that they are blocked on one kind of grain only. Now, complaints of this kind I do not think are just.

Mr. MARBLE. There are individual complaints of that kind to which you take exceptions?

Mr. BOWEN. Yes, sir.

Mr. MARBLE. Where a line of elevators is filled with grain and if they have deposited grain beside the track in open bins and have made demand for from twenty to thirty days for cars and have not been able to get them, would you consider a complaint on such facts to be just?

Mr. BOWEN. It might be from one point of view, and from another it might not be.

Mr. MARBLE. What would be a valid excuse for a railroad to not furnish cars in such a case?

Mr. BOWEN. I think the expansion of the country and the increase in business would be a valid excuse for such a thing.

Mr. MARBLE. Why should it be that in your country there is no shortage of cars—neither delay nor shortage of cars—when in all these districts from Duluth out through North Dakota there is a manifest shortage of cars so far as the shippers are concerned, because they are unable to get them?

Mr. BOWEN. We make our own empties, as I stated before, and as a rule, taking all of our little towns along will have carloads set out from day to day enough to supply their wants.

Mr. MARBLE. You think it may arise from a difference in management?

Mr. BOWEN. No; I do not think it can.

Mr. MARBLE. I do not want you to criticise your fellows in railroad work, but I am anxious to know just what the reason is.

Mr. BOWEN. I do not think that is it. I do not think the difference in management does it, but the fact that we are fortunate in having carloads come in to unload and supply the elevators with. That is our good fortune, whereas these little western towns really don't get many carloads, and for their supply have to depend upon the quantity furnished them.

Mr. MARBLE. Where should those empties come from?

Mr. BOWEN. Well, they would come from the shippers. The people who load the cars and release them.

Mr. MARBLE. Might it not be that there was a preference in freight and for certain commodities which carry high rates there is absolutely no lack of cars, but on certain other commodities, which carry a low rate there is a deficit as to the car supply at the present time.

Mr. BOWEN. No; I do not think so. I think our commodity—grain—is one of the best commodities we can handle.

Mr. MARBLE. Undoubtedly; but it is a staple, and grain you are sure to handle, are you not, eventually? It is not something that anybody else can take away from you.

Mr. BOWEN. Oh, yes; others can take it away from us.

Mr. MARBLE. Certainly not at noncompeting points.

Mr. BOWEN. I do not know as to noncompeting points, but our whole line is practically competitive.

Mr. PHELAN. Yes.

Mr. MARBLE. You can not expect men to always do the right thing at the right time?

Mr. PHELAN. Unless they are properly rested; dead men can not do good work in an office or anywhere else.

Mr. MARBLE. Is it your observation that these train men are overworked?

Mr. PHELAN. I can not say that. There are frequent cases of that kind, especially where they are on the roads for such unreasonable hours, and where they are sent out on these drags and kept dragging clear through indefinitely, regardless of time and consequences; that is simply pernicious.

Mr. MARBLE. What do you mean by a "drag?"

Mr. PHELAN. A drag is a term generally applied by railroad men to a heavy freight train; that is, a train that is long and heavy. These engines are rated, of course, according to the capacity when they are in first-class shape. Very frequently engines are in bad condition, and I think that is the cause of much of the trouble; the engines are not kept in good shape—that is, are not kept at their full capacity—in other words, "slaughtered." Engines have got to be kept in good condition; cylinders have got to be kept round; valves have got to be kept faced, so that there can be no waste of steam, and in every other way an engine has got to be handled and attended to by mechanics, so that when they get out every move will count. In that way tonnage is no difficulty, if engines are sent out in first-class shape and engineers and firemen are rested. Everything would go on much better, and go along well enough, with experienced men and matters in good shape; but the cylinder packing wears out; valves cutting and various other matters happen to those engines. It is just like a man buying an automobile, and expecting God to take care of it. He will go out in the country once in a while and stay there, and have to get a team to pull him back to town. A machine has got to have the most careful watch, and when railroad companies abandon their shops and cut down their material 100 per cent, and do everything else like a man running a cheap clothing store, you can not expect good service on a railroad.

Mr. MARBLE. Do any of those conditions obtain as to the Great Northern or the Northern Pacific?

Mr. PHELAN. Yes, sir; they do, most decidedly; that is, I do not say it is general; there are many engines in excellent shape—many others are sent out and not given the attention they deserve.

Mr. MARBLE. As to either of those two roads, have they cut down their shops or abandoned their shops?

Mr. PHELAN. The Northern Pacific Railroad at one time was equipped clear through to the coast with the best system of shops and organization and short terminal distances, where the men could attend to the boilers and keep everything in first-class shape.

Now, I will cite to you an instance—what a road master told me the other day—which was a comparison of the road department with the machinery department. He told me that last year he had 150 broken rails in one district of 14 miles long, and yet never had an accident. That man was always attending to business; when those rails would break they were caught, they were bolstered up and put in shape, and everything went along all right. Now, at one time this economy craze and tonnage craze made half of the railroad men in the country

crazy, and the other half are following—are afraid they will lose their jobs on the same score.

The Northern Pacific followed the lead of the Great Northern. The track is supposed to be put down with good, heavy rails. It is my opinion and observation that the Northern Pacific followed the lead of the Great Northern. I consider the Pennsylvania road is a very much over-estimated concern. You will find that in your graft investigation; but on that score these shops were abandoned. Now, for instance, at Fargo they had shops where they could get out about three engines a month; at Mandan they could do the same; at Dickinson they had lathes and machinery to do ordinary running repairs; and at Glendive they had shops; and these division shops, in fact, the district shops, were dismantled, machinery taken out of them, and the division shops were partially dismantled. This is none of my concern except that it affects me as a shipper. I know the management of the Northern Pacific; so far as I am personally concerned, I have been treated splendidly, but every little while I run up against these things and I suffer by it, and I see it with my own eyes.

The other day I went into the roundhouse at Dickinson, and you could not see your hand before your eyes for steam. The transition from light power to heavy power has gone on until every roundhouse on the system has had to be extended. At Dickinson there should be steam pipes by which the engines, when they were blowing off—escaping steam should be taken care of by pipes attached to these engines, and allow the steam to escape into the outer air and leave a clear atmosphere. In the process of construction those pipes have been neglected and abandoned, and the result is there is a whole cloud of steam in there, and men take their lives in their hands when they try to go about and do anything. They are about four or five weeks behind what they ought to be. That is what I call poor housekeeping, poor railroading. These engines should be able to go into the roundhouses at Dickinson or Mandan and be repaired promptly. If the force there was not sufficient some one should bring men in and get these engines in shape to go out; but you take away that surplus force and you put it right up to the limit of the force, and when your engines come in and need repairs hurriedly you have not the force to do the repairs; the result is your engines quickly run down and deteriorate and you are getting poor service, and that means general demoralization.

Now, if you say anything about that to the ordinary officer who is responsible for these things you get him hot right away, he resents it as an insult, and I have tried in all my utterances to avoid the attitude that some of these men will put you into as having it in for the road.

Now, there is the Northern Pacific. That property is one of the most magnificent properties in the country. So far as the engineering department is concerned and the revision of grades, the reconstruction of lines and its track, and everything of that kind, it can not be excelled, and its traffic department, its legal department—fine gentlemen all through, and the transportation department, so far as my contact with them—they are splendid fellows, all of them able men, but somehow or other there is some sort of a demoralization, demoralized condition—that everybody seems to be acting only to preserve his own position, and everybody is afraid to get out and

wheel the necessary stuff in order to get this work into line and have it done properly, have men do their work. Engines are sent out to do the work in our district and they have been smashed, a dozen within a few weeks, by collisions or burning.

I do not like that personally; I have a feeling against that kind of work, and I always have had. I have got a contempt for dead men, no matter where you find them, and I always feel that if it takes from now to next shipping season, they can not any more than get this done, and that I will be up against the same proposition next year. I want to know whether my cattle are going to get to market, and I need to know—and unless somebody speaks out, and somebody finds these weak points, demonstrates them, and has them removed, we are never going to get any better service. The first condition is this. You must not only keep your track in shape, but keep your power in shape, and pick out experienced men, and keep moving it; get the men with the capacity and the caliber that can do the work. It makes me tired to see every terminal and every side track in the country congested. If they would get them out, they could do three times the business with them.

Commissioner LANE. Can you give me an idea of the date on which this demoralization on the Northern Pacific began—can you approximate the date on which the demoralization in the operating department of the Northern Pacific began?

Mr. PHELAN. Three years ago it showed up the worst.

Commissioner LANE. And has been continuing growing thicker ever since?

Mr. PHELAN. No; I have taken up matters with them regarding my shipments, and I know from the results that efforts have been made there to give people good service, but just as soon as the pressure is taken off it lags again, and they get in a hole and go to sleep—something is the matter. Now, one instance was cited to me by a railroad man in my district of enignes where water hose gave out. Hose were taken off of one engine to repair another one with. I understand that is because these supplies of the road have been reduced from a hundred per cent, or from $4,000,000 to $2,000,000, just simply for the interest to be saved on the $2,000,000. Engines run without kerosene—engines run without headlights. It is a bad matter to need the ordinary little supplies and things. I will bet the president don't know about it; it is all covered up. This creates car shortage, which is simply a matter of not getting the cars around.

Commissioner LANE. What is the purpose of cutting off these supplies or reducing the amount of the supplies—to make an increase in earnings—to make a reduction in operating expenses?

Mr. PHELAN. No; to make a showing on paper for some executive officer.

Commissioner LANE. In other words, the road, according to your idea, is being operated not for the benefit of the shipper and the public or even the owners so much as it is for somebody else?

Mr. PHELAN. If Mr. Hill is rapping these men for a showing of this kind, they feeling they are earning their salaries by making a showing of that kind—economy—why, of course, they rap all the way down on the line for the purpose of swelling stocks in Wall street. That is the way it has always appeared to me. Now, so far as Mr. Hill is concerned, as a farmer, if he would pay half the attention to the railmen and the matter of excellent results on the railroad that he

pays to his prize pigs on his farm, we would not have any car shortage in the Northwest.

Commissioner LANE. You know the car shortage, or whatever it is, does not obtain only here. It is quite as serious in Texas as it is in Minnesota. We have congestion down there where there are 30,000 cars and they are not able to load them, and some roads won't allow any of their cars to go into Texas at the present time because they can not get them back.

Mr. PHELAN. I have followed cattle trains from Texas to North Dakota, and know how it prevails all over, but the weakness comes in from the fact that if one management finds another prominent management suffering the same way that is put forward as an excuse for weakness. Because everybody lies or because everybody is weak is really no excuse.

Commissioner LANE. Do I understand you to mean by that that if there is a certain standard of operating expenses set up by one road, it has its effect upon the minds of those who are buying railroad stock, that other railroads conform to that standard so as to have the same beneficial effect?

Mr. PHELAN. If one management seeks to get the traffic over the road, and will reduce tonnage a little to expedite traffic, the first time their report of tonnage goes down to Wall street some prominent financier will get his "stuffed club" out and say: "Why don't you do as well as the Great Northern; why don't you make a showing like the Hill Line or some of the Southern roads?" And the result is they all sidetrack everything to tonnage, and the only result is they pay no attention to time. A train has 2,000 tons, and it matters not whether that train is one or two weeks getting over the road, thirty hours or forty hours, it simply counts as tonnage, and the standard of time of getting cars over the road in an expeditious way or reasonable miles per hour does not cut any figure. It has been demonstrated—no doubt it was a fact—that it costs more to run a train at a fairly high rate of speed than it does at a low rate of speed, all things being equal. They will cut off the fast trains because there is more money in slow trains than there is in fast trains.

Commissioner LANE. What railroad were you superintendent on?

Mr. PHELAN. On the Northern Pacific.

Mr. MARBLE. We have here (referring to newspaper clipping):

There is some kind of fiction in unscientific railroading which does not class a light engine as a train, and one engine with two cabooses will drag 2,000 tons of freight, more or less, with the light engine dallying behind or hitting the caboose suddenly when the drag stops on a curve or at a water tank. If one engine drags 2,000 tons alone or as a double header, or with the light engine following, it enhances the tonnage record. If the 2,000 tons is divided into two trains of 1,000 tons each much better service is insured, but the tonnage record, on paper, is impaired. Am I right? Puzzle: Find anything like a common-sense basis for this practice.

Mr. PHELAN. That is right. This tonnage record is more or less a fiction; it is as false as hell, because a man can take, under those conditions, and by keeping his freight on the road indefinitely, there is no question asked at headquarters or down at Wall Street how that is accomplished. I say that ought to be punished the same as counterfeiting is punished.

Mr. MARBLE. Have you observed such practices?

Mr. PHELAN. It is invariably practiced. It is the most ridiculous thing I ever saw.

Mr. MARBLE. You regard all tonnage records, then, as simply paper results, and not even as indicating economies obtained for stockholders?

Mr. PHELAN. No, sir. I do not want to be spreading myself on record as being opposed to the tonnage system, of having an engine pulling every ton it is capable of pulling, but I say the fault comes in in having an engine fitted out with a tonnage where it is incapacitated by not being kept properly in repair; that is where the fault of tonnage comes in; putting out a maximum tonnage on an engine that is in excellent shape is good for the stockholders, shippers, and everybody else.

Mr. MARBLE. And when you say maximum, you would have regard to speed as well as to weight?

Mr. PHELAN. You get an engine on a maximum tonnage—why, that means that it will handle that in very reasonable time. The only danger in that comes in in too many stops, and not being prompt to move along, and it takes longer to stop and it takes longer to start.

Mr. MARBLE (reading):

Last spring at Manhattan, Mont., with a stock train, I was blocked for seven hours by a way freight train with an ordinary engine, anchored down with 1,800 tons of freight. The train dispatchers persevered in their efforts and devices to get this train out of the hole, but dead weight and a primitive sidetrack were against the engine and the force.

Mr. PHELAN. There is a peculiar condition at Manhattan. The primitive side track was one of the early side tracks, built on the natural ground level, not up to grade. The train would be in a hole, and an engine to pull that train out of such a side track has got to do violence to the equipment. You have got to jerk and pull drawbars in order to get it out; and another thing, 1,800 tons with an ordinary light engine on a freight train, where they have got to stop at all stations to unload cars and pick up freight, is too much. A way freight train, above all things, should move promptly—get its work done and move along to another station. Instead of that, the division superintendent loads a train down so that at that time at Manhattan, which was only about 40 miles out of the terminal, it had been fourteen hours on the road.

I sat up that night. I went over to the caboose to go to sleep, and it was just as good as the grand opera for me to sit around and see the antics. Those men were asleep on the telegraph office floor, and to show the way railroading can be done, if you have got a live man—the passenger train came in there, and this train had to set after the passenger, and way freight train east bound came in and the conductor got off who was ahead and had sidetracked. He said to this freight conductor: "Here, pull up there so I can get on a side track." The conductor made his usual excuses—the engine was out of order and could not pull up—the engineer says the engine is out of order. He said, "To hell with the engineer." (They are always making such excuses.) "Now, you make room." That man went up ahead of the passenger train. The passenger train came and was not delayed five minutes, and went back and got out of there in thirty minutes. That man was alive. That is what I say, if there was more of that spirit among the men to-day to have things done, we should not have any car shortage. I admired that man; he ought to be made a train master; he ought to be made a superintendent—somebody that can push.

Mr. MARBLE. In justice to those men you criticise, do you know how long they had been working?

Mr. PHELAN. Fourteen hours on the road does not do the man any harm.

Mr. MARBLE (reading):

Last week, at Dickinson, a train of empty stock cars stood in the yards for twelve hours or more waiting power to send them west, when three trains of cattle were in the immediate vicinity waiting for cars, yet the additional engines for local service from the east and the same number from the west had not been provided with crews.

Did you observe such a condition of affairs?

Mr. PHELAN. Yes, sir.

Mr. MARBLE. More than once?

Mr. PHELAN. Yes; quite frequently since.

Mr. MARBLE. That the engines and the cars and the crews do not meet when their combined services are needed.

Mr. PHELAN. I would explain by saying these engines that were waiting for crews, that came simply from the master mechanic not looking far enough ahead and having men educated and having men available to put on those engines when they were needed, and the cars setting there for want of engines. Those cars could have been loaded there and they could have been two hundred miles by the time they move out west. Those cars were ordered to go to Montana and farther points, and there was an order to send them there, so the local people were powerless to use those cars in that way. There are a hundred and one things in railroading of that kind. They attempt to direct work five hundred miles from the place where the work is being done, and the result is they muddle things.

Commissioner HARLAN. Mr. Phelan, how long have you been a railroad man?

Mr. PHELAN. I went to railroading when I was 16 years old.

Commissioner HARLAN. That does not quite answer my question.

Mr. PHELAN. From 1873 to 1895—twenty-three years.

Commissioner HARLAN. How long have you been a stock raiser?

Mr. PHELAN. I have been stock raising now about fourteen years.

Commissioner HARLAN. What have been your opportunities for observing the management and conduct of the Northern Pacific the last five years, say?

Mr. PHELAN. Well, now, for instance, this year I shipped in a hundred cars of cattle from Montana and Washington. I followed every train load of cattle out; I followed it from loading point to destination.

Commissioner HARLAN. That was to Chicago?

Mr. PHELAN. I went with my cattle to Chicago—rode in the caboose and saw just how things were going.

Commissioner HARLAN. How often have you taken that trip?

Mr. PHELAN. I have taken it——

Commissioner HARLAN. In five years.

Mr. PHELAN (continuing). For five years I have taken it almost invariably with the cattle trains. This season I left the train and went on the passenger.

Commissioner HARLAN. How many trips have you taken in five years?

Mr. PHELAN. That would be impossible to answer now.

Commissioner HARLAN. How many this year?

Mr. PHELAN. Five or ten—I have probably taken eight trips this year—counting the stock cattle I have taken a dozen trips.

Commissioner HARLAN. You come back to the west in a passenger, then?

Mr. PHELAN. Yes, sir.

Commissioner HARLAN. Now, just to test the value of your statement, do you base all that you said on your personal observation on these trips, or do you also base it largely or to some extent upon your own experience with that road as a railroad man?

Mr. PHELAN. Observations and experience, both.

Commissioner HARLAN. Both together?

Mr. PHELAN. Yes, sir.

Commissioner HARLAN. In what you have said do you reflect the views of other railroad men who have had equal opportunities of observing the conduct and management of the Northern Pacific Railroad?

Mr. PHELAN. No; there is a distinction there. It depends how much scared a man is of losing his position.

Commissioner HARLAN. Have you talked with railroad men about the management of the Northern Pacific?

Mr. PHELAN. Invariably, and very frequently I did not have to talk to them; they talked to me.

Commissioner HARLAN. So that something of what you have said to-night is based upon what you have heard from them?

Mr. PHELAN. And what I saw for myself.

Commissioner HARLAN. Yes; and what you saw for yourself?

Mr. PHELAN. Yes, sir.

Commissioner HARLAN. So that you are reflecting their views as well as your own?

Mr. PHELAN. Yes, sir.

Commissioner HARLAN. In other words, you can go so far as to say the general impression of all the railroad men you have come in contact with is in line with your statements here this afternoon?

Mr. PHELAN. Remember, some railroad men are very diplomatic?

Commissioner HARLAN. They would not be diplomatic with you, would they?

Mr. PHELAN. Some would and some would not. The men that talked—as a rule railroad men are very frank in talking with me.

Commissioner HARLAN. Then, in your statement, I understand you reflect their views also?

Mr. PHELAN. Reflect the views of experienced men—inexperienced men would not have any such views—would not have any such views at all.

Commissioner HARLAN. Your judgment is that it is the opinion of railroad men in this northwest territory that there is no real car shortage, but that this trouble is due to mismanagement?

Mr. PHELAN. Well, I would not want to say that is the opinion of railroad men generally, because many of them do not really know.

Commissioner HARLAN. Well, are you expressing only your views or are you expressing your views and others?

Mr. PHELAN. No; I would say I am expressing my own opinion. That is my opinion from observation.

Mr. MARBLE. Are you acquainted with J. W. Midgley, of Chicago?

Mr. PHELAN. No; I know him by reputation, but not personally.

Mr. MARBLE. By reputation—you know him as an expert in the question of car supply?

Mr. PHELAN. Yes.

Mr. MARBLE. Are you familiar with his views on this subject, concerning which you have been expressing yourself?

Mr. PHELAN. No; I am not.

Mr. MARBLE. Mr. Midgley, in a letter dated May 16, 1906, said:

It is generally admitted that there are enough freight cars in service to handle the business of the country at all seasons, provided their judicious distribution be assured. Despite that fact, large orders for new equipment are being placed, and unless better methods prevail to supply cars that are needed, railroad companies may be forced into expenditures which the adoption of improved measures would avoid.

And again he said:

It is generally agreed that there are cars enough to handle all the business of the country at the busiest season, provided they are properly moved.

Mr. PHELAN. I agree with that; there is no question about that in my mind.

Mr. BUNN. Mr. Phelan, a road which is incompetently and improperly managed would decrease its efficiency, would it not?

Mr. PHELAN. I do not understand the last question.

Mr. BUNN. Would decrease its efficiency?

Mr. PHELAN. Very greatly.

Mr. BUNN. Very greatly decrease the amount of freight which it could handle?

Mr. PHELAN. That depends upon what you would compare it with, Mr. Bunn.

Mr. BUNN. Compared with its maximum efficiency.

Mr. PHELAN. What would you base your maximum efficiency at—what figure?

Mr. BUNN. Bad management, compared with good management, would decrease greatly the effciency of any railroad, would it not?

Mr. PHELAN. That depends whether the railroad had been operated at its maximum capacity.

Mr. BUNN. If it would not, what is the value of good management?

Mr. PHELAN. The value of good management is in having things done right, and for the least cost.

Mr. BUNN. Good management increases the efficiency of any railroad—the volume of business which it would handle?

Mr. PHELAN. It surely will; yes, sir.

Mr. BUNN. Mr. Phelan, if it was shown to you that the Northern Pacific Railroad, with a single track, was doing more business than almost any double track in the United States, it might modify your views about the quality of its management, might it not, Mr. Phelan?

Mr. PHELAN. I have no criticism to make of the Northern Pacific as a management.

Mr. BUNN. Mr. Phelan, you have assumed to say that the Northern Pacific management was bad.

Mr. PHELAN. No, I have not; you misunderstand me in that particular.

Mr. BUNN. Just assume that you have.

Mr. PHELAN. I won't assume it. I won't be put in the position of saying the Northern Pacific has not a good management; I know it has.

Mr. BUNN. Mr. Phelan, if the Northern Pacific was, with its single-track line, doing more business than most double-track lines in the United States, you would be forced to admit it was good management, would you not?

Mr. PHELAN. I would not be forced to admit anything. You know when things are so apparently wrong and carelessly handled there is no getting around that fact. That is the trouble to-day, Mr. Bunn. There are too many excuses made; too many tables made out, instead of getting right down and doing the things right. I live among those people and I take charge of my shipments, and I know what I am talking about. I know I have to stand the brunt of this. I know what it costs me.

Mr. BUNN. I know what you have said, Mr. Phelan, but you do not seem to come to the point.

Mr. PHELAN. I will come to the point, but I do not want to be put in the position of reflecting upon the management of the Northern Pacific.

Mr. BUNN. You would be disposed if we could show you that the road is doing what we say—handling more business with a single track than any other single track in the United States, and more than most double tracks—if that is a fact, providing that is a fact, you would admit that the management had some good points, would you not?

Mr. PHELAN. I did not question the good points of the Northern Pacific management. They have excellent points, and they are very good points. It is only in the local conditions and the weak points that the management is not willing to recognize that we have our trouble, and which they are making excuses for all the time.

Commissioner HARLAN. You can see places, as a railroad man, where if you were in control and could spend more money for machine shops, etc., that you could better the service to the public?

Mr. PHELAN. I believe, above all things, that you have got to keep power up to the maximum efficiency. You have got to have shops; in other words, engines have got to go into shops at the end of the run and be constantly repaired and constantly attended to.

Mr. BUNN. Do you know what the percentage of power on the Northern Pacific that is not in use is—that is not fit for use?

Mr. PHELAN. No; I do not.

Mr. BUNN. For all you know, it is very high, is it not?

Mr. PHELAN. For aught I know, the amount is not high.

Mr. BUNN. And the amount is efficient?

Mr. PHELAN. Now, that would depend upon whether or not the efficiency was on paper only or whether it was actually in existence.

Mr. BUNN. In point of fact?

Mr. PHELAN. No; I think that most of the power represented by general comparisons as being efficient and in good shape is far below that degree of efficiency.

Mr. BUNN. Do you know, Mr. Phelan—have you any knowledge on the subject, or have you had an intimation that the Northern Pacific had cut down its appropriations for maintenance of power and repair of power?

Mr. PHELAN. No; I did not say they had cut down the appropriation for maintenance of power. I said that they had cut down the appropriations for materials and supplies. I understood that

had been reduced 100 per cent, preventing material for repairs being available.

Mr. BUNN. Mr. Phelan, do you know that?

Mr. PHELAN. Why, as near as I can observe anything.

Mr. BUNN. Is it not, on the contrary, the fact that the Northern Pacific has been expending every year an increasing amount for materials, supplies, and for repairs and maintenance of locomotives?

Mr. PHELAN. On that score, I do not know anything about that from the table record.

Mr. BUNN. That is all.

(The witness was excused.)

C. H. THORNTON, called as a witness, and, being duly sworn, was examined and testified as follows:

Mr. MARBLE. What is your name, sir?

Mr. THORNTON. Charles H. Thornton.

Mr. MARBLE. Where do you reside?

Mr. THORNTON. Duluth.

Mr. MARBLE. What is your business?

Mr. THORNTON. I publish the Daily Market Report at Duluth, and the Daily Commercial Record.

Mr. MARBLE. Is it a part of your duty to estimate the crops—the size of the crops—in the Northwest?

Mr. THORNTON. Yes, sir; I have estimated crops in the Northwest for going on ten or twelve years.

Mr. MARBLE. Have you prepared figures for this hearing?

Mr. THORNTON. Yes, sir.

Mr. MARBLE. And showing the size of the crops in the Northwest, comparatively?

Mr. THORNTON. I can give you those offhand.

Mr. MARBLE. How does the crop in the Northwest this year compare with last year?

Mr. THORNTON. The wheat crop this year is substantially the same as it was a year ago. The flax crop is a trifle larger; barley 10 per cent smaller; oat crop a trifle smaller.

Mr. MARBLE. On the whole?

Mr. THORNTON. On the whole, it is substantially the same as a year ago, with this difference, that the crop is not distributed as it was a year ago. There is more of it in the north and less of it in the south.

Mr. MARBLE. How does the North Dakota crop compare with last year?

Mr. THORNTON. I did not make up my crop so much by State. I made it up by lines of railroad.

Mr. MARBLE. Taking the Soo, the Great Northern, and the Northern Pacific, how do they compare with last year?

Mr. THORNTON. I think the probabilities are that the grain tonnage on the Northern Pacific, the Soo, and the Great Northern this year will exceed anything in the history of the roads.

Commissioner LANE. What proportion comes from Canada?

Mr. THORNTON. There is a small portion of it comes from Canada. I doubt if a million bushels comes from Canada. I was not figuring Canada in that estimate.

Commissioner LANE. Have you studied the movement of this year's crop?

Mr. THORNTON. Yes, sir.

Commissioner LANE. Have you studied the amount into both Minneapolis and Duluth?

Mr. THORNTON. More particularly into Duluth. I have studied Minneapolis in a general way to keep in touch with the movement, but not in the detail that I have at Duluth.

Commissioner LANE. What do you say as to the movement into Duluth, compared with previous years?

Mr. THORNTON. Well, the movement into Duluth this year is the largest since 1902—largest in number of cars and largest in number of bushels.

Commissioner LANE. In 1902?

Mr. THORNTON. In 1902 the number of cars handled was larger than in this year. Understand, I am speaking of the four months crop year that has already elapsed.

Commissioner LANE. September, October, and November?

Mr. THORNTON. September, October, and November. In 1898, however, we handled 73,000 cars.

Commissioner LANE. Would it be possible to have these figures filed?

Mr. THORNTON. There are only a few of them.

Commissioner HARLAN. Are you going to be in Minneapolis Friday night.

Mr. THORNTON. I will stay, if you wish me to.

Commissioner HARLAN. I was just thinking perhaps you could have a conference with Mr. Marble and get the figures in some shape, so that we can file them and avoid this delay.

Mr. THORNTON. I will put them in shape. The only important thing about it is that in 1906, the four months of this year, we handled 48,000 cars against 79,000 cars of grain in 1898, a decrease of over 50 per cent—this fall in units of grain and cars of grain—while this fall we handled 68,000 cars of coal, a very great increase over anything before.

Commissioner LANE. Where does that coal go to?

Mr. THORNTON. That coal went mostly west and from the Twin Cities.

Commissioner LANE. Do you know how far west?

Mr. THORNTON. I have been told that a fair share—a considerable amount went to Montana. I am not speaking of exact knowledge in that respect.

Commissioner LANE. We will now take an adjournment until 9 o'clock to-morrow morning, and the witnesses will please be on hand promptly at 9 o'clock.

Thereupon, at 5.15 o'clock, the Commission adjourned.

MINNEAPOLIS, MINN., *December 19, 1906, 9 a. m.*

Commissioner LANE. Gentlemen, I have two telegrams here in addition to those received last night. One of them is from Casselton, N. Dak., saying:

About 100 tons on hand. Ten days supply. Possibly less coming from distance for coal account; none on hand in surrounding towns; railroads have good supply; no suffering as yet, but if unfavorable weather conditions follow consider situation serious.

Here is another from Inkster, N. Dak.:

No coal in store here; supply nearly exhausted; no suffering yet, but must have coal immediately.

Mr. MARBLE. I have here the figures from the Hanna Coal Company, which were called for the other day. I will furnish you with the name of this witness.

(The same is admitted in evidence and marked "Exhibit No. 1, to A. O. Dieson.")

Commissioner LANE. Proceed, Mr. Marble.

Mr. MARBLE. I have handed to the stenographer figures from the M. A. Hanna Coal Company, brought in by Mr. Dieson, which show shipments of coal, percentages of railroad coal, and also a car an extraordinarily long time on the road.

I have some pictures which I would like to put in the record.

The first shows a blockade at Anamoose, N. Dak., on the Soo Line, on October 25, 1906. There was only one elevator buying grain and that has a large storage bin under construction. The others are all full and out of the market. It shows the wagons lined up with wheat for market.

(The same is received in evidence and marked "Exhibit No. 1—Dec. 19th — Marble.")

These are all of the same general character. This shows 60,000 bushels of wheat in the open at New Rockford, N. Dak., November 7, 1906, and all the elevators full.

(Same is received in evidence and marked "Exhibit No. 2—Dec. 19th—Marble.")

Here is a picture from Sheyenne, N. Dak., on the Northern Pacific Railway, showing wagons of grain waiting at the elevator.

(Same is received in evidence and marked "Exhibit No. 3—Dec. 19th—Marble.")

Here is a picture of the Royal Elevator Company at Courtenay, N. Dak., the sheds have broken, and the grain in the open bins is pouring out on the ground.

(Same is received in evidence and marked "Exhibit No. 4—Dec. 19th—Marble.")

Here is another picture, from New Rockford, showing wheat in the open air in an open bin, and 112,000 bushels are there.

(Same is received in evidence and marked "Exhibit No. 5—Dec. 19th—Marble.")

I have a picture of 50,000 bushels of wheat in sacks on the Pacific coast. However, that is on the O. R. and N., and I will not offer that.

I have a report here of the committee on grain blockade at Wilton, N. Dak., to the Commercial Club of the town. This report is signed by Ralph W. Anderson, W. P. Macomber, J. C. Anderson, A. N. Blexrud, George A. Lenhart, and J. J. Schmid. It is in line with the testimony as to the shortage of cars and the inability to ship. The point of interest which I will read is as follows:

In addition to the above, at this point are located the mines of the Washburn Lignite Coal Company, which are the largest lignite mines in the Northwest. This industry has been paralyzed by the lack of cars. Especially is it noted that the railroad company does not furnish open or gondola cars for this trade, and they have pressed into this service box cars, which should have been used

for the grain trade. This company has not been able to fill its standing orders for coal, without considering the daily orders. The mines have been shut down repeatedly for lack of cars, while the State is suffering for the lack of coal.

Furthermore, regarding the incoming freight, both local and in car lots, business has been stagnant owing to the failure of the company to deliver goods with anything like promptness. No local freight has been received here for five days. It has taken two or three weeks to get shipments from the Twin Cities.

(The same is received in evidence and marked "Exhibit No. 7—Dec. 19th—Marble.")

I have here another picture, in the shape of a souvenir postal card from New Rockford, showing wheat in open bins.

Commissioner LANE. Perhaps it is a good advertisement.

Mr. MARBLE. Perhaps.

(The same was received in evidence and marked "Exhibit No. 7—Dec. 19th—Marble.")

I have a letter from Senator Hansbrough to the Commission, which is as follows:

I inclose herewith two clippings from the North Dakota paper which appear to throw a peculiar light upon the car-shortage situation. In the clipping marked "1," a local paper, which is decidedly hostile to corporations, asserts, as you will observe, that an indignation meeting was held at St. Thomas, N. Dak., and that cars came speedily thereafter. If this is true it would indicate that the railroads are in a position to furnish cars when driven to it. The other clipping, comprising an interview with Mr. Charles McCanna, shows, according to his statement, that at his station they have been unable to get any cars during the entire season—that is, that only six cars had arrived there, and they were the first that had been seen for months, as he stated. I have many other clippings of a less important nature, and am sending these to you because they set forth conditions which, if they exist, indicate a great necessity for an overhauling of the interstate carriers of that section.

(The same is received in evidence and marked "Exhibit No. 8—Dec. 19th—Marble.")

Commissioner LANE. You have other letters from Senator Hansbrough?

Mr. MARBLE. Yes, sir. I have letters from Senator Hansbrough to the Commission and replies from the Chairman of the Commission to him, and I will ask that those be introduced without reading.

(The same are hereto annexed and marked "Exhibit No. 9—Dec. 19th—Marble.")

I have also a great number of letters from local points, some addressed to Congressman Marshall and brought to the Commission by him, and some addressed to me, and these are generally along the line of the testimony taken, regarding the situation there, showing shortage of cars—fewer cars this year than last, and loaded cars not moving in many instances, etc. Unless the Commission desires, I will not read them.

(The same are received in evidence and marked "Exhibit No. 10—Dec. 19th—Marble.")

Commissioner LANE. There is no objection to counsel seeing them if they so desire.

Mr. MARBLE. I have a table showing a shortage of cars in Washington for lumber shipments, and have an extract from the report of meeting of the Pacific Coast Lumber Manufacturers' Association at Seattle, Wash., November 26, 1906, showing that money has been raised for a suit to be brought to secure redress, and giving figures on increase in equipment and then statistics on the car situation, showing

cars received since November 1, and mills closed down, that number being 6, 3 running half time, 1 running one-third time, and 4 were closed from three to seven days, and 1 has curtailed output. It also shows orders canceled on account of car shortage. The total number of carloads canceled were 348. The total number of mills reporting were 64. It shows the total number of cars needed—flat cars—3,318.

Box cars needed, 3,124.

Grand total cars needed, 6,442.

(The same is received in evidence and marked "Exhibit No. 11—Dec. 19th—Marble.")

FRED. A. KELLEY, called as a witness, was duly sworn and testified as follows:

Mr. MARBLE. Your name is Fred. A. Kelley?

Mr. KELLEY. Yes, sir.

Mr. MARBLE. And you reside in Lakota, North Dakota?

Mr. KELLEY. Lakota, North Dakota; yes, sir.

Mr. MARBLE. And you are an attorney at law?

Mr. KELLEY. An attorney and farmer.

Mr. MARBLE. You are acquainted with the shipping situation at your town?

Mr. KELLEY. Well, to some extent; yes.

Mr. MARBLE. You heard the testimony from North Dakota witnesses that we have had that they have been unable to get cars for shipping?

Mr. KELLEY. Yes, sir.

Mr. MARBLE. Is that true of your town?

Mr. KELLEY. Particularly true of the shipping point from which I ship my grain. My farm is 6 miles out of Mapes. That is on the main line of the Great Northern, about 60 miles west of Grand Forks, and it has been almost impossible to get cars sent there.

Mr. MARBLE. Do you know the effect upon the price of grain?

Mr. KELLEY. Yes, sir.

Mr. MARBLE. Would you say, as the other witnesses have, that it has widened the margin?

Mr. KELLEY. There is no question about that.

Mr. MARBLE. No question about that?

Mr. KELLEY. No.

Mr. MARBLE. What is the coal situation at your town?

Mr. KELLEY. Hand-to-mouth situation. We have had no suffering there, but we really have not enough coal to supply the demand. Of course the people have borrowed from each other and got coal in small quantities, so they have been able to get along with their coal there.

Mr. MARBLE. They would burn more if they had it?

Mr. KELLEY. Yes, sir.

Mr. MARBLE. Have you had trouble with the slowness of movement of cars?

Mr. KELLEY. Why, all I know about it is what the public generally know. I have not given it particular attention.

Mr. MARBLE. That is all.

Commissioner LANE. That is all.

(The witness was excused.)

J. L. LAVALLEY, called as a witness, was duly sworn, and testified as follows:

Mr. MARBLE. Your name is J. L. Lavalley?
Mr. LAVALLEY. Yes, sir.
Mr. MARBLE. You reside at the town of Dazey, N. Dak.?
Mr. LAVALLEY. I don't reside there. I am there in business.
Mr. MARBLE. There in business?
Mr. LAVALLEY. Yes, sir.
Mr. MARBLE. Where do you reside?
Mr. LAVALLEY. At Moorhead.
Mr. MARBLE. Are you acquainted with the shipping situation at Dazey?
Mr. LAVALLEY. I am.
Mr. MARBLE. You have heard the testimony given of the shortage of transportation facilities? Is that true of your town?
Mr. LAVALLEY. It is.
Mr. MARBLE. Has as much grain been shipped this year as last?
Mr. LAVALLEY. No, sir.
Mr. MARBLE. Do you know the comparative figures.
Mr. LAVALLEY. I know the comparative figures as to elevator shipments.
Mr. MARBLE. As to elevators?
Mr. LAVALLEY. Yes, sir.
Mr. MARBLE. How many cars were shipped this year?
Mr. LAVALLEY. One hundred and seventeen.
Mr. MARBLE. How many last year?
Mr. LAVALLEY. Two hundred and nineteen.
Mr. MARBLE. Now, the track loading.
Mr. LAVALLEY. The track loading consisted of 3 cars this year.
Mr. MARBLE. How many last year?
Mr. LAVALLEY. I think 6.
Mr. MARBLE. Would you testify as other witnesses have that grain has sold for less money than it would have if transportation facilities had been furnished?
Mr. LAVALLEY. Yes; I would.
Mr. MARBLE. How much difference?
Mr. LAVALLEY. Well, about 5 cents.
Mr. MARBLE. How much grain is produced to be marketed at your point?
Mr. LAVALLEY. About five hundred thousand bushels.
Mr. MARBLE. Have the farmers sold as much as they wanted to?
Mr. LAVALLEY. No, sir.
Mr. MARBLE. Have they been unable to find a market?
Mr. LAVALLEY. They have been unable to find a market.
Mr. MARBLE. Would they have sold more grain if they could?
Mr. LAVALLEY. Yes, sir.
Mr. MARBLE. Have you had trouble in the slowness of movement of cars?
Mr. LAVALLEY. We have.
Mr. MARBLE. In the same manner as testified here?
Mr. LAVALLEY. Yes. My experience has been like that of the other witnesses, in a measure.
Mr. MARBLE. Not so much?

Mr. LAVALLEY. I do not think it has been moved as rapidly from our town as they have from some larger places.

Mr. MARBLE. Then you have had a harder time than some of the others?

Mr. LAVALLEY. We have had a harder time than some of the others.

Mr. MARBLE. Have you had trouble with cars standing after being loaded?

Mr. LAVALLEY. Yes, sir.

Mr. MARBLE. How much trouble have you had?

Mr. LAVALLEY. We have had cars standing on the sidetrack after being loaded from twenty to twenty-two days quite frequetly.

Mr. MARBLE. How many cars?

Mr. LAVALLEY. A large number.

Mr. MARBLE. Well, how many?

Mr. LAVALLEY. As high as six.

Mr. MARBLE. Six at a time?

Mr. LAVALLEY. Yes, sir.

Mr. MARBLE. What is the coal condition at your town?

Mr. LAVALLEY. Very serious—none whatever up to Saturday, when I came away.

Mr. MARBLE. How long a time had your dealers been out of coal?

Mr. LAVALLEY. One of our dealers received a car of coal a week ago to-day and the same dealer received some a week previous to that.

Mr. MARBLE. Do you know how long that coal had been in transit?

Mr. LAVALLEY. No, I do not.

Mr. MARBLE. Have you not looked into that?

Mr. LAVALLEY. No, I have not looked into that.

Commissioner LANE. You know that you can get coal now, under promise of the railroads?

Mr. LAVALLEY. Yes, I wired our dealers yesterday.

Mr. MARBLE. You have complained to the railroad officials about shortage of cars, have you?

Mr. LAVALLEY. I have not, no; the elevator men have.

Mr. MARBLE. Do you know what response they got?

Mr. LAVALLEY. They got the response in the way of a letter from Mr. Baird.

Mr. MARBLE. What was that?

Mr. LAVALLEY. Why, he alleged it was on account of the car shortage and motive power.

Mr. MARBLE. Motive power and car shortage?

Mr. LAVALLEY. Yes.

Mr. MARBLE. Mr. Baird is who?

Mr. LAVALLEY. I think general superintendent of the Jamestown division.

Mr. MARBLE. That is all.

Commissioner LANE. That is all.

Mr. BUNN. Mr. Baird?

Mr. LAVALLEY. Mr. Baird.

Mr. BUNN. Do you think he is superintendent of the Northern Pacific?

Mr. LAVALLEY. I presume he is division superintendent. I can get his initials.

Mr. MARBLE. What road?

Mr. LAVALLEY. That is the Northern Pacific.

Mr. BUNN. I wish you would.
Mr. LAVALLEY. All right.
(The witness was excused.)

GEORGE T. SLADE, called as a witness, was duly sworn and testified as follows:

Mr. MARBLE. Mr. Slade, you reside where?
Mr. SLADE. St. Paul, Minn.
Mr. MARBLE. And you are general superintendent of the Great Northern Railroad?
Mr. SLADE. I am.
Mr. MARBLE. Are you short of cars on your line?
Mr. SLADE. We are unable to furnish cars for loading at all points, to fill all orders, but I think if we were able to transport cars to destination promptly and release them promptly and return them for loading promptly we would not be very short in general. We might be short in isolated cases.
Mr. MARBLE. Are you short of power?
Mr. SLADE. No. I should not think we are short of power.
Mr. MARBLE. Are you short of labor?
Mr. SLADE. Yes; we are short of competent labor.
Mr. MARBLE. You are short of competent labor?
Mr. SLADE. Yes, sir.
Mr. MARBLE. More deficient in competent labor than in previous years?
Mr. SLADE. There is a greater shortage; yes, sir.
Mr. MARBLE. Do you know why that is?
Mr. SLADE. It would appear from what I have learned from discussions of the subject with other operating officials that there is a general shortage of competent railroad labor, due to the rapid expansion of the railroad traffic of the country.
Mr. MARBLE. Do you think that other railroads are suffering as much from that as you are?
Mr. SLADE. I could not say as to that.
Mr. MARBLE. You did not investigate that particular when talking to other officials?
Mr. SLADE. Of course it is a difficult matter to make a comparison as between the situation on one line and the situation on another with respect to the competence of their skilled and unskilled labor.
Mr. MARBLE. Do you consider that your men—that you have not been able to give them sufficient rest?
Mr. SLADE. No; I could not say that we have been unable to give them sufficient rest.
Mr. MARBLE. You do not think that they work too long hours?
Mr. SLADE. I think not. I think, in isolated cases, men may have been on the road an unusual and probably an unreasonable number of hours, in certain instances.
Mr. MARBLE. But you do not think that crews have been kept out generally too long hours, especially the trainmen on the dead freight trains?
Mr. SLADE. No; I could not say it was a general condition.
Mr. MARBLE. Are the men complaining?
Mr. SLADE. In certain instances they are, and in other instances they are not.

Mr. MARBLE. Now, you mean some are willing to work as long hours as they do, and are not complaining, and others are complaining?

Mr. SLADE. There are a great many not required to work long hours, and not complaining, and some work long hours who want long hours, and others who are working long hours say they feel they would rather have shorter hours.

Mr. MARBLE. You prefer, as a operating railroad man, to have no one work long hours?

Mr. SLADE. Absolutely.

Mr. MARBLE. Do you consider it detracts from their efficiency?

Mr. SLADE. Indeed I do; yes, indeed.

Mr. MARBLE. How many hours a day would you say an engineman should work—be on duty, whether waiting for orders or running a train?

Mr. SLADE. There are times of shortage of labor, and I should say the trainmen should be able to work from fifteen to sixteen hours out of the twenty-four, and still have sufficient time for proper rest.

Mr. MARBLE. Do you think that men can work from fifteen to sixteen hours a day and remain efficient?

Mr. SLADE. Oh, for perhaps a week—two or three days or perhaps a week.

Mr. MARBLE. Then they should have how much rest then?

Mr. SLADE. Whatever they feel, themselves, to be necessary in order to recuperate.

Mr. MARBLE. Do you know whether the shortage of labor is at all due to the best men leaving you, or good men leaving you because of the long hours and hardships?

Mr. SLADE. No; I think not. We had in our service, employed on June 30, 1905, a total of 29,000 employees on the Great Northern system. On June 30, 1906, we had a total of 37,000 employees of all classes—an addition of 8,000 men to our forces during a period of twelve months. That, of course, necessitated the employment of a great many men who were new to the railroad altogether; new to the situation in our part of the country, which has reduced the general efficiency of the entire body of our railroad employees.

Mr. MARBLE. When you put on absolutely new men you make what you call a cadet of him, do you not?

Mr. SLADE. I never heard the expression used in that connection.

Mr. MARBLE. You put him on the waiting list or extra list?

Mr. SLADE. We endeavor to assimilate new men by putting them into crews with older employees.

Mr. MARBLE. And men are put on the regular list—put in the regular service and taken off the extra list in order?

Mr. SLADE. Yes, sir.

Mr. MARBLE. Even with that arrangement you think you have to turn new men out at too great a rate of increase?

Mr. SLADE. I think there is no question of that. To give the figures on one division of our system, we have 57 conductors in freight service on one division, 40 of which were hired in the year 1906.

Mr. MARBLE. You had considerable new construction?

Mr. SLADE. A great deal of new construction; yes, sir.

Mr. MARBLE. Principally in the far northwest on the Canadian side, north of the Dakota line?

Mr. SLADE. There has only been two bridges built north of the North Dakota line this year.

Mr. MARBLE. The other construction is where?

Mr. SLADE. The other construction is in North Dakota and in British Columbia.

Mr. MARBLE. Has that used up considerable of your fuel and cars and labor for the transportation of material?

Mr. SLADE. It has taken a certain number of employees out of other service.

Mr. MARBLE. Would that help to explain the shortage of skilled employees?

Mr. SLADE. No; not to any great extent. The percentage of employees and percentage of men assigned to that service is small compared to the total.

Mr. MARBLE. What condition is your roadbed in now?

Mr. SLADE. The physical condition?

Mr. MARBLE. The physical condition of the road.

Mr. SLADE. It is generally in good condition.

Mr. MARBLE. Do you have very many slow orders given to engineers on heavy freight trains because of the condition of the roadbed?

Mr. SLADE. We have on account of recent storms and bad weather.

Mr. MARBLE. Where you don't take storms into account; go back before the storms.

Mr. SLADE. On our main line, except in some places where the roadbed was affected by unusual weather conditions, there has been practically no slow orders outside of the points at which construction work is being performed.

Mr. MARBLE. On the branch lines?

Mr. SLADE. Principally on the main line.

Mr. MARBLE. On the branch lines, what is the condition of the roadbed?

Mr. SLADE. It is generally in good condition.

Mr. MARBLE. Are you able to make time?

Mr. SLADE. In general; yes, sir.

Mr. MARBLE. How many locomotives have you?

Mr. SLADE. We have 823.

Mr. MARBLE. On the entire system?

Mr. SLADE. On the system.

Mr. MARBLE. Can you furnish us with figures showing the number on each division?

Mr. SLADE. That can be furnished from the records in that way.

Mr. MARBLE. And the number of box cars; how many box cars have you?

Mr. SLADE. We have approximately 25,000.

Mr. MARBLE. How many of your cars are off your line?

Mr. SLADE. About 16 per cent of our total equipment now.

Mr. MARBLE. And in number, how many [handing paper to witness]? Perhaps that will help you.

Mr. SLADE. The last figure shown on this statement, which is approximately correct to date, is 6,057 cars.

Mr. MARBLE. Off your line?

Mr. SLADE. Yes, sir.

Mr. MARBLE. How many foreign cars on your line?

Mr. SLADE. We have a total of other companies' cars on our line of 9,462.

Mr. MARBLE. So you have not suffered from car diversion?

Mr. SLADE. We have a balance of approximately 3,000.

Mr. MARBLE. That might explain the car shortage somewhere else?

Mr. SLADE. Possibly.

Mr. MARBLE. Those figures were prepared by you?

Mr. SLADE. They were prepared in the transportation office; yes, sir.

Mr. MARBLE. And those are correct for the Great Northern Railroad?

Mr. SLADE. According to the freight records; yes, sir.

Mr. MARBLE. I will ask that they be put in evidence and marked as an exhibit.

(The same are received in evidence and marked "Exhibit No. 1—Slade.")

Can you suggest a plan which, if adopted by your railroad or by railroads of the country, would stimulate the movement of freight cars?

Mr. SLADE. I could not make any suggestion which would stimulate the movement to-day or to-morrow.

Mr. MARBLE. Which, if put into operation now, would stimulate the movement of cars for the next busy season, beginning next July, say?

Mr. SLADE. I think that the plans which have been considered by our executives for the improvement in our facilities and the increase in equipment should be sufficient to provide for the carrying of traffic for the next year.

Mr. MARBLE. That is not exactly the question I asked you. I asked if you had any plan which would stimulate the movement of freight cars and cause cars which are in existence to cover more ground and make more trips, run more miles, stop fewer days or hours in division points?

Mr. SLADE. That, Mr. Marble, can be brought down to a question of transportation facilities—double track where there is now single track.

Commissioner HARLAN. I think Mr. Marble wants to know whether you have any suggestion to make by which better results can be accomplished with the present conditions, utilizing the present amount of facilities—any suggestion by which they could be better used.

Mr. SLADE. I could only say that if I could think of any such suggestions, I would put them into operation at once, so far as the road on which I am employed is concerned.

Mr. MARBLE. Have you power to increase expenditures to secure better results, so far as the service to the general public is concerned?

Mr. SLADE. To a limited extent, with the approval of and after consultation with my superior officers; yes, sir.

Mr. MARBLE. Are you able to make any recommendations along that line by which a little less economy at some point would perhaps result in better service to-day?

Mr. SLADE. We have not during the past few months considered economy in connection with the movement of our traffic in any way,

shape, or manner. We have employed all of the force that could be used to advantage, and made every possible effort to get the cars moved promptly and the best service possible along our lines.

Mr. MARBLE. The last few months have been times of trouble, have they not?

Mr SLADE. They have, sir

Mr. MARBLE. Previous to that time, do you think that if there had been less economy the trouble you are having would have been avoided?

Mr. SLADE. No, sir.

Mr. MARBLE. You think you can not avoid the same trouble in the future without double-tracking and increasing the equipment and improving terminal facilities, and you have no improvement to suggest in the methods of operation?

Mr. SLADE. I can think of none; no, sir.

Mr. MARBLE. You are familiar with the letters which Mr. Midgley, of Chicago, has been sending out relative to this car shortage?

Mr. SLADE. Yes, sir.

Mr. MARBLE. Are you familiar with his statement that there is enough equipment in the country to accommodate the business of the country at the busiest time if properly used, and that it is consequently up to the railroad officers now to devise means to utilize that equipment and stimulate the movement of freight cars if they desire to avoid Government ownership? I am giving you Mr. Midgley's views now and not anyone's else.

Mr. SLADE. I am familiar with those letters.

Mr. MARBLE. You are familiar with those letters?

Mr. SLADE. Yes, sir.

Mr. MARBLE. Do you agree with his remedy of the car pool?

Mr. SLADE. I do not, no; not as applied to our own particular conditions, with which I am best acquainted.

Mr. MARBLE. If you had a car pool you would be about 3,000 cars poorer, however, than you are?

Mr. SLADE. Yes, sir; to-day.

Mr MARBLE. That is all.

Commissioner HARLAN. Mr. Slade, you say you have 823 locomotives at this time?

Mr. SLADE. Yes, sir.

Commissioner HARLAN. How many are new during this year?

Mr. SLADE. There have been added to our equipment since June 30, 1905, 120 locomotives to date.

Commissioner HARLAN. Do you know how many are in the shops at this present moment for repairs?

Mr. SLADE. Approximately; yes, sir.

Commissioner HARLAN. What is that percentage?

Mr. SLADE. I think about 7 or 8 per cent.

Commissioner HARLAN. Do you know how that number of locomotives compares with the number of locomotives on other northwestern lines?

Mr. SLADE. I think probably the percentage is the lowest. I make that statement for the reason that it is the lowest percentage of locomotives out of service we have ever had on our system. I think that the work could hardly be kept up any closer than it is with us.

Commissioner HARLAN. How do the total number of locomotives compare with the total number of miles and tonnage, compared with other northwestern roads?

Mr. SLADE. I have never made any such comparison.

Commissioner HARLAN. Is it not the general understanding that there are less locomotives on your line than other northwestern roads?

Mr. SLADE. I have never heard the statement made; no, sir.

Commissioner HARLAN. Is there a uniform scale of wages on all these northwestern lines?

Mr. SLADE. Not absolutely uniform. The general basis is the same on the northwestern lines.

Commissioner HARLAN. So in a general way you would say that your labor is paid just as much as other lines' in the same territory?

Mr. SLADE. It is not paid any less in any case, and, if anything, more.

Commissioner HARLAN. Now, Mr. Slade, there have been several statements made here in relation to the great quantities of wheat lying on the ground at particular points on your lines. Have you taken any special measures to give relief at those points?

Mr. SLADE. I have not heard the name of a single station on our line mentioned at which there was grain piled out of doors on the ground.

Commissioner HARLAN. Perhaps I am in error. Perhaps it is on the other lines. You have heard statements of elevators filled and where a great quantity of wheat is waiting to be moved.

Mr. SLADE. Yes, sir.

Commissioner HARLAN. Have you taken any measures to give relief at those points?

Mr. SLADE. Yes, sir; we have endeavored to relieve the stations at which the elevators were blocked in order to allow them to receive grain in preference to relieving stations where the elevators were open and all receiving grain.

Commissioner HARLAN. What were those measures? Just sending more cars in? Is that all?

Mr. SLADE. By giving them cars in preference to places able to do business.

Mr. BEGG. Mr. Slade, how many locomotives has your company bought this year that have not yet been delivered?

Mr. SLADE. No locomotives which have been contracted for and time of delivery which has now passed that have not been delivered.

Mr. BEGG. There are some contracted for that are to be delivered later?

Mr. SLADE. Yes.

Mr. BEGG. How many of those?

Mr. SLADE. One hundred and fifty.

Mr. BEGG. Will you explain the percentage of increase in the tractive power of these new locomotives—that is, is the tractive power greater than or less than the percentage of increase of number of locomotives?

Mr. SLADE. The percentage is very much greater. The additional tractive power of the 120 locomotives is somewhat over 20 per cent, if I remember correctly.

Mr. BEGG. You would say that the increase in tractive power is 20 per cent?

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Mr. SLADE. The percentage is very much greater. The additional tractive power of the 120 locomotives is somewhat over 20 per cent, if I remember correctly.

Mr. BEGG. You would say that the increase in tractive power is 20 per cent?

Mr. SLADE. The increase in number of locomotives would be approximately 15 per cent, and the increase in tractive power would be approximately 20 per cent.

Mr. BEGG. Yes. Now, 120 locomotives were secured last year. Did that increase the tractive power of the equipment a greater percentage than the increase in the number of locomotives?

Mr. SLADE. That is the point I was trying to make, that in the number of locomotives it was 15 per cent, and the total increase in the tractive power 20 per cent.

Mr. BEGG. Do you know what the increase of business was during that same period—the volume of traffic?

Mr. SLADE. For the fiscal year?

Mr. BEGG. Yes.

Mr. SLADE. I think the tons moved 1 mile showed an increase of at least 16 per cent.

Mr. BEGG. You made a statement of the causes of the delays in the movement of cars. What is the one thing above all others that delays freight cars in their movement?

Mr. SLADE. The greatest delay, of course, is in relieving equipment after it reaches its destination.

Mr. BEGG. At the terminal?

Mr. SLADE. Yes, sir.

Mr. BEGG. Is your company making all the efforts it can to increase terminal facilities?

Mr. SLADE. We are ; yes, sir.

Mr. BEGG. Are there any special difficulties in the way of increasing terminal facilities at this time?

Mr. SLADE. The special difficulties we have encountered this year have been shortage of labor and shortage of material.

Mr. BEGG. It is impossible to do the work—you are familiar with the causes that have led up to this condition, which made it difficult to furnish cars for wheat and the like. Will you explain it at length to the Commission, just what you think the causes have been that led up to this delay, so far as your system is concerned?

Mr. SLADE. In the first place, the increase in the general traffic; the greater movement over our main line, due to the increased consumption of manufactured articles in the cities of the West and towns of the West, and the greater demand for the various products of the Pacific coast; the increased density of population, with consequent increased demand for transportation in the Northwest. And, aside from any of the increases in traffic, the very peculiar weather conditions which we have had throughout the entire territory covered by our lines during the past twelve months—unusual wet weather, with washouts in Montana in the spring; usually dry weather in North Dakota during the summer; unusually wet weather in Minnesota during the summer; the storms of unprecedented severity in the State of Washington; the absolute cessation for a period of a week in western Washington; the recent terrific blizzards in North Dakota.

Mr. BEGG. How long have those blizzards lasted now?

Mr. SLADE. We have had practically continuous blizzards in the State of North Dakota for a period of thirty-one days. The first heavy snowstorm came on the 17th day of November, and was in evidence this morning in North Dakota.

The situation has been further complicated in our case by the strike of the coal miners at the mines of Crows Nest Pass, from which we had been receiving approximately one-quarter of our total fuel for locomotive use. The strike continued for a period of nearly two months, from the 22d of September to the 20th of November, and during that time we were compelled to use fuel of inferior quality, were unable to secure fuel in sufficient quantities, and were at times unable to move our traffic on account of having insufficient fuel to place on our tenders.

Mr. BEGG. Mr. Slade, in addition to being required to use inferior coal, what effect did it have on the employees, when this change was made?

Mr. SLADE. It was extremely demoralizing to the men. The fuel from British Columbia was of a very high class and gave splendid results, but the fuel which replaced it was of such inferior quality that it caused a great deal of discouragement among the men, and while we were able to move our trains, a part of our trains with the fuel, a great many of our engines failed for steam. It was impossible to keep them running as they should.

Mr. BEGG. Did any of your firemen abandon work because they had to use that inferior quality of coal?

Mr. SLADE. Yes; we had cases in which we had to send out as many as three firemen on passenger trains to protect freight trains, to bring them into the terminals.

Mr. BEGG. Now, are there any other matters that you have in mind which contributed to bring about this condition?

Mr. SLADE. I think that it was upon the subject of rapid increase in the number of employees—the difficulty of securing sufficient competent men to handle our traffic, and I consider that one of the greatest obstacles that we have had to successful operations this year.

Mr. BEGG. Now, the westbound traffic has increased a great deal this year?

Mr. SLADE. Yes, sir.

Mr. BEGG. That decreased the empty car movement West, and has made the return of cars to the west somewhat slower than would be the case in ordinary seasons?

Mr. SLADE. Yes, sir; that is true.

Mr. BEGG. What efforts have your company made to improve facilities for doing business in territory that is congested?

Mr. SLADE. The greatest help to our operations this fall would have been the completion of our extension from Aneta to Devils Lake, North Dakota.

Had that line been completed, we would have diverted a portion of the traffic which now passes over our line between Devils Lake and Larimore, North Dakota. It would have very much facilitated the movement of our traffic from North Dakota to points south, to Breckenridge, Minn.

Mr. BEGG. In other words, you would have practically had a double track?

Mr. SLADE. We would have had a double track, had that line been constructed; yes, sir.

Mr. BEGG. Now, give the obstacles in the way of the completion of that line.

Mr. SLADE. Primarily, delay in receiving material and shortage of labor.

Mr. BEGG. Simply could not get the material and labor in there to complete it?

Mr. SLADE. That was all.

Mr. BEGG. It was planned early last winter?

Mr. SLADE. Yes, sir.

Mr. BEGG. And begun early in the spring?

Mr. SLADE. Yes, sir.

Mr BEGG. What additions has the company made to its facilities in the direction of water tanks and the like looking to the increase of facilities in that territory?

Mr. SLADE. We have under construction at the present time something over 100 miles of additional passing tracks and yard tracks, and have done a great deal in the way of providing new water supply.

Mr. BEGG. Reservoirs?

Mr. SLADE. We have constructed reservoirs.

Mr. BEGG. You have also located shops up in that territory?

Mr. SLADE. Yes, sir; we are extending our shop facilities to meet the requirements of our increased equipment.

Mr. BEGG. Where are those shops to be located?

Mr. SLADE. We are locating a shop at Devils Lake, North Dakota.

Mr. BEGG. Have you improved your facilities for furnishing coal in that territory also?

Mr. SLADE. Yes, sir.

Mr. BEGG. Have you increased your coal sheds?

Mr. SLADE. Yes, sir; we have made a number of such improvements every year.

Mr. BEGG. Then, you attribute this congested condition more than anything else to the exceptional circumstances which have existed there this year—largely weather conditions?

Mr. SLADE. Labor and weather conditions, in a word.

Mr. BEGG. Mr. Slade, from time to time during the hearing, there has been a suggestion that if trains were reduced in size it would facilitate the movement of freight over the road. Will you please state what, in your opinion, would be the effect of reducing the tonnage of your trains, increasing the number of your trains, upon the movement of freight along the road, of course, and terminals?

Mr. SLADE. In places the result of such a policy would simply be to prevent the movement of as much traffic as is handled under the present operating conditions. By increasing the number of trains on a congested district you would have so many trains on the road that you would be more delayed—the delays would probably be more in meeting trains than the delays are now, due to the slower movement between the stations—than with the engine loaded to a reasonable—the engine pulling a reasonable load.

Commissioner HARLAN. Mr. Slade, just explain, if you please, when you take a train of 40 cars and split it up into 2 trains of 20 cars why would you not make more speed in that manner?

Mr. SLADE. Between stations?

Commissioner HARLAN. Yes, sir; there would be practically the same tonnage to handle. Now those things I do not know about, and I would like to know why the splitting up of a train in that way,

which would enable you to make faster time, would necessarily tend to congest the movement.

Mr. SLADE. For this reason: The meeting points between trains increase, not directly with the number of trains run, but as the square of the number of trains run. For instance, with 2 trains in each direction over a division there are four meeting points. With three trains in each direction there are nine meeting points. With four trains in each direction there are sixteen meeting points.

And the increased number of trains running out of terminals will cause more delay at the meeting points, making it necessary for trains to take the sidetracks oftener than if the trains were loaded so that the engines could move with reasonable speed over the road and have fewer meeting points and get into the sidetracks less often.

Commissioner LANE. Mr. Slade, you said in answer to Mr. Begg's question that you thought the conditions prevailing on your road were due to weather conditions and labor conditions largely.

Mr. SLADE. Yes, sir.

Commissioner LANE. Now, up to the 17th of November, what exceptional weather condition was there?

Mr. SLADE. We had, previous to that time, an absolute cessation of traffic on the Cascade Mountains, due to washouts in Washington, and the consequence of that has been to retard the movement of eastbound traffic, causing an accumulation of business on the western side of the Cascade Mountains, which we have been unable to reduce. That has prevented that equipment from coming into eastern territory to be unloaded.

Commissioner LANE. You do not have cars there to move lumber, do you, on the west side of the Cascades?

Mr. SLADE. It is not possible to move as much lumber as the people want to ship, but still it delayed the loading, which was very nearly equal to our ability—very near our capacity of eastbound movement over the Cascade Mountains.

Commissioner LANE. We have information in the Commission that there has been discrimination against their lumber, and that they have not had the same number of cars as at any previous season.

Mr. SLADE. I do not think that has been true on our line. I think our statistics show that they have loaded more lumber during this year than in previous years.

Commissioner LANE. It is a matter of which you probably have knowledge that lumbermen of the Northwest are preparing now to present a case either before the Commission or before the courts against roads in the Northwest for lack of cars?

Mr. SLADE. Yes; I have heard of such a movement.

Commissioner LANE. At any rate these cars that did not come over the Cascade could have come around loaded with lumber, and then they could have relieved the wheat situation—could have been brought back as empties to North Dakota and loaded with grain?

Mr. SLADE. Yes, sir; but instead of doing that—we were unable on account of this large business to move the business and the cars; many of them are still standing west of the Cascade Mountains.

Commissioner LANE. How many cars have you got stationed west of the Cascades?

Mr. SLADE. About 1,200.

Commissioner LANE. Loaded?

Mr. SLADE. Yes, sir.

Commissioner LANE. How many unloaded cars?

Mr. SLADE. In all, including the number which are in transit to points to be loaded, approximately 115 or 120 cars a day—they are being loaded there.

Commissioner LANE. At the worst time, during that period of congestion out there, how many cars did you have tied up west of the Cascades?

Mr. SLADE. About the same number we have at the present time.

Commissioner LANE. You could not get those around the Cascades in any way?

Mr. SLADE. No, sir.

Commissioner LANE. If that situation had been cleared up, how much would it have tended to relieve the situation in North Dakota?

Mr. SLADE. If that situation had been cleared up and we had had sufficient fuel of a proper quality on the western portion of our line, I think it would have made a very material difference here on the eastern end of the line in the matter of supplying equipment.

Commissioner LANE. How many cars did you say you had that belonged to other lines in excess of the cars they had that belonged to you?

Mr. SLADE. Approximately, 3,000, as shown by this statement. [Indicating].

Commissioner LANE. So you have more cars in excess of the number that other roads have of yours then—probably three times as many as are tied up west of the Cascades?

Mr. SLADE. Over twice as many.

Commissioner LANE. Over twice as many?

Mr. SLADE. Yes, sir.

Commissioner LANE. Now, then, you ought to be able to figure upon your own equipment in loading those cars?

Mr. SLADE. Oh, yes.

Commissioner LANE. Then, having twice as many cars belonging to other lines, as you lose west of the Cascades, you still are not able to move your crop?

Mr. SLADE. Yes; but of course the equipment that comes to us under load is foreign equipment and largely loaded with commodities which can not be transferred, and which go through to the far West.

Commissioner LANE. Could not those cars then be used for these purposes?

Mr. SLADE. The general custom—of course, as soon as our line was opened up in the Cascades we moved them as fast as we could. We have been moving, approximately, the daily loadings, but we have not been gaining very much on the accumulation, so we still have that number of cars there. A number of cars in transit with commodities going to the Pacific coast, and those running east, makes that number of cars a dead loss—they are probably standing still.

Commissioner LANE. Well, you don't give any preference to the traffic that moves from the Pacific coast as against traffic moving from North Dakota, do you?

Mr. SLADE. No, sir; only to this extent, that we give preference to merchandise and high-class freight to the Pacific coast and to local

points on the line, and to North Dakota points over ordinary common freight.

Commissioner LANE. Do you remember when this Commission held a hearing regarding the relation of grain elevators to railroads?

Mr. SLADE. I saw mention of it in the papers; yes, sir.

Commissioner LANE. Do you remember that testimony was given as to the congestion of the wheat business—the grain business along the line of your railroad at that time?

Mr. SLADE. Yes, sir.

Commissioner LANE. That was prior to the blizzard in North Dakota, was it not?

Mr. SLADE. Yes, sir.

Commissioner LANE. What developed that condition, then, at the time of normal weather in North Dakota?

Mr. SLADE. The crop movement was somewhat peculiar this year. We had, at the opening of the crop—at the beginning of the crop movement, a very considerable number of empty cars standing idle. Those cars were standing on the tracks, where we expected they would be loaded with grain as soon as the grain commenced to move. They were moved to the grain-shipping points in anticipation of the grain movement. The grain came in quite rapidly. Weather conditions were such that threshing progressed without very much interruption on account of the usual damp rains, which did not occur this year in North Dakota, and the cars were loaded very, very quickly—faster, in fact, than we could transport them. The grain loaded on some of our divisions was probably, each day, twice the number of cars which that division could transport, under favorable conditions, simply for the reason that the cars had been accumulated, and naturally there would be some delay under those conditions to some of those shipments until the cars had begun to enter the terminals and become relieved and taken back out to the lines to be furnished in the usual course of the handling of the grain business. Some of those cars were delayed to an extent which called forth some criticism.

Commissioner LANE. You heard the testimony here as to the many cars which are taken from twenty days upward to pass 250 miles?

Mr. SLADE. Yes; I have heard that testimony. I do not think——

Commissioner LANE. That you do not regard as a reasonable time?

Mr. SLADE. No, sir; I do not think there were any cars on our line moving from points within 200 miles of the terminal which were so delayed.

Commissioner LANE. You do not think there were?

Mr. SLADE. There may have been isolated cars, but there was no general detention. The cars which were detained were those moving some 400 or 500 miles and were required to move through a congested territory, where, on account of our failure to secure the completion of another line we were handling a traffic in excess of the capacity of our line—far in excess of the capacity of the line, for the reason that we had already arranged over a year ago to complete another line to relieve that.

Commissioner LANE. What exceptional labor condition did you suffer under that all the other railroads did not suffer under?

Mr. SLADE. Well, from my conversations with other railroad officials, I should judge we are all suffering to about the same extent and in about the same way.

Commissioner LANE. How many miles of road have you built in the last year?

Mr. SLADE. The additional mileage now open for operation is less than 200.

Commissioner LANE. Less than 200 during the year?

Mr. SLADE. Now open, although there is some more mileage under construction and very nearly completed.

Commissioner LANE. What would that amount to?

Mr. SLADE. That would amount to probably 200 miles more.

Commissioner LANE. What is the total miles of your system?

Mr. SLADE. The total mileage is approximately 6,000 miles.

Commissioner HARLAN. How much of that is double tracked?

Mr. SLADE. We have, altogether, about 700 of double track, but throughout a great part of our territory, if you will examine the map, you will find that instead of having double-track lines, we have second single-track lines. There is one part of the territory in the Red River Valley where we have six parallel lines, giving us an opportunity to divide the through traffic between different routes. We have two main lines from St. Paul to the Red River Valley, one by way of Melrose and Barnsville and the other by way of Willmar and Breckenridge.

Commissioner HARLAN. Has there not been a similar congestion on each of those main lines?

Mr. SLADE. No, sir; not on either of those lines.

Commissioner HARLAN. Would not those congestions at some of the points been relieved by second tracks?

Mr. SLADE. The greatest relief would have been sceured had we had in operation our line from Aneta to Devils Lake. I think that relief would have been valuable to the greatest possible extent this year.

Mr. BEGG. What effect had the drought in North Dakota on your water supply?

Mr. SLADE. It has had a very serious effect upon our water supply, particularly upon one branch and one of our main line divisions.

Mr. BEGG. And your failure to get cars over the Cascades has been due largely to the failure of the good coal supply?

Mr. SLADE. That is largely the cause of our failure since the washouts to reduce the accumulation.

Commissioner LANE. What is this bad coal you use?

Mr. SLADE. It is a coal mined along the Pacific coast, which is about half as efficient as the coal from the Crows Nest Pass.

Commissioner LANE. Around Seattle?

Mr. SLADE. That is coal mined on the Pacific coast, in the Pacific Coast Coal Company's mines.

Commissioner LANE. That is the same kind of coal that the Southern Pacific uses, is it not?

Mr. SLADE. I think that the Southern Pacific is using oil largely, now.

Commissioner LANE. Those coal mines were originally opened by the Southern Pacific?

Mr. SLADE. I could not say.

Commissioner LANE. That coal in and around Seattle was the coal used by the Great Northern and the Northern Pacific west of the Cascades divisions for years?

Mr. SLADE. Yes; there are some of the better mines, some of the higher class fuel mines, but, owing to the great general demand for fuel in that territory, the miners have been very careless in the production of their coal and they have given us a good deal worse coal from the same mines than we had heretofore, and also there were some of the mines from which we had never taken coal, and the coal proved to be very unsatisfactory.

Mr. BEGG. If you cut your freight trains in two—double the number of trains—what effect would that have upon the number of crews (employees) required? Would it make double the crews?

Mr. SLADE. Perhaps not double the crews—yes; I think it would probably take double the number of train men—anyway, nearly double.

Mr. BEGG. Do you think you could get twice as many men as you have now?

Mr. SLADE. I am certain we could not.

Mr. BEGG. The hauling of heavy trains is necessary to get the traffic over the road?

Mr. SLADE. I do not think we haul heavy trains.

Mr. BEGG. I mean hauling trains as heavy as you do.

Mr. SLADE. We are loading to-day in North Dakota trains of 17 or 18 cars, which is the limit of the capacity of the locomotives under the present weather conditions, and I would not call those large trains.

Mr. BEGG. Then, your object is not to make tonnage—to move the traffic, that is what your object is?

Mr. SLADE. To move it to the best possible advantage.

Mr. MARBLE. Do you mean just that, Mr. Slade—are we to understand that what is called the tonnage policy of the Hill roads is to move traffic to the best possible advantage to the public?

Mr. SLADE. I have never seen any great difference between the policy of the Great Northern and other roads on which I have been employed with reference to the movement of tonnage.

Mr. MARBLE. Is it true or not that a policy was invented or initiated in the Northwest of having as many ton miles as possible per train mile traveled and that you publish these results and are very proud of them, and that that policy is spreading from your road to other roads?

Mr. SLADE. That is true, but we always are careful to make good time with the freight business.

Mr. MARBLE. Does the time made appear in those statistics?

Mr. SLADE. Always.

Mr. MARBLE. You consider your engines are properly loaded?

Mr. SLADE. They are. I consider that they are as properly loaded as they can be. We have to rely upon the judgment of the local officials to load the engines properly under various weather conditions.

Mr. MARBLE. Have you ever had such a thing as this: Running an engine loaded, perhaps heavily loaded, with another engine following behind with no loads?

Mr. SLADE. I have heard of it being done. It is not done with the knowledge and consent of the officials. Sometimes, of course, it is

necessary in order to equalize the passenger delays, to run a passenger engine empty over a division, and that engine might possibly pass a freight train heavily loaded in the same direction, but it was either to bring the passenger train in, and, naturally, they can not take the time to assist the other train.

Mr. MARBLE. I am not talking about passenger engines. I am talking about freight engines. I am talking about those instances.

Mr. SLADE. That case might appear, but it is unusual, and they are not justified in doing it.

Mr. MARBLE. Do you find a tendency to do this in order to keep from making a record of running light trains?

Mr. SLADE. No, sir.

Mr. MARBLE. You say that does not occur?

Mr. SLADE. No, sir; it does not occur.

Mr. MARBLE. Do you know whether or not that sort of thing has occurred on other roads that attempt to furnish these records of a great number of ton miles per train mile?

Mr. SLADE. I never heard of its being done on any road with which I have been connected.

Mr. MARBLE. If you were a division superintendent, and you had two freight engines to move from one division to the other at the same time practically—as near together as they could go in safety—and you had a reasonably heavy load for one, or a very heavy load, would you divide it or give it all to one?

Mr. SLADE. I should divide it.

Mr. MARBLE. You would advise them to divide it under those circumstances?

Mr. SLADE. Those are the present instructions to superintendents, and such have been for years.

Mr. MARBLE. Have you had trouble with accidents caused by men who had worked long hours?

Mr. SLADE. I do not know as accidents could be attributed to the hours men had been on duty. We have had as many accidents with employees who have been on duty but a short time as we have had with employees who have been on duty a long time.

Mr. MARBLE. Taking employees who perhaps had just gone to work on one trip, but who on the trip previous had worked long hours—I am asking you if you have had more accidents from men who might be called weary?

Mr. SLADE. Possibly, in a few very isolated cases.

Mr. MARBLE. Not many?

Mr. SLADE. Not many; no. Some of the most serious accidents, due to infractions of rules and carelessness, which we have had, have occurred when the men have been proven to have had ample opportunity for proper rest.

Mr. MARBLE. That is all.

Mr. BEGG. Mr. Slade, what is the average freight-car movement per day on your road?

Mr. SLADE. The miles per car per day for all classes of equipment in the month of October, the last month of which we have any record, were over 30 miles per car per day.

Mr. BEGG. How does that average compare with the average made by other roads?

Mr. SLADE. I only know of two roads. I know the figures for the Erie, which I saw for two years, and there I think they reached 20 miles for one month, and that we considered very, very good.

Mr. BEGG. Will you please explain what is meant when you speak of loading an engine according to its rating, and also explain how you get that rating, and then what it amounts to.

Mr. SLADE. Locomotives are usually purchased and are rated by the builders to haul a given tonnage on a given grade, under given conditions. After we receive the locomotive we make practical working tests under the supervision of our mechanical and operating officers.

Mr. BEGG. What then?

Mr. SLADE. When they ascertain the result of this practical test, we give the engine a tonnage rating for the different grades to which that engine is apt to be assigned, and the ratings are printed on our time tables—are placed in the possession of all of our yard masters, conductors, and other employees engaged in the movement of trains; and the rating shown on these tables is given the locomotives except when, on account of peculiar weather, the traffic conditions are such that it becomes necessary to decrease the tonnage.

Mr. BEGG. Now, if there is any temporary defect or something that renders that engine incapable of handling, easily, its rated tonnage, is not that taken into account by the local authorities in loading?

Mr. SLADE. Oh, certainly; but of course it is never our intention to have an engine leave the roundhouse at a division terminal to make a trip not in condition to handle its tonnage. We have employed at these terminals forces of skilled mechanics to make repairs there, and they are provided with proper tools for making them, and it is absolutely against the rules to permit an engine to leave the roundhouse which is not in condition to handle the tonnage to the next terminal.

Mr. BEGG. The actual loading of these engines is left to the division superintendent and train dispatcher?

Mr. SLADE. The actual load which they will haul under conditions obtaining at the time is determined by the local officers.

Mr. BEGG. The engine is ordinarily loaded in the direction in which the traffic prevails?

Mr. SLADE. Certainly; yes.

Mr BEGG. You are not anxious to load engines coming back where the traffic—in the direction in which the traffic is lighter. You simply divide up the traffic among the engines?

Mr. SLADE. That is it, exactly.

Mr. BEGG. You do not run engines over the road light simply to increase the tonnage?

Mr. SLADE. No, indeed.

Mr. BEGG. In the case Mr. Marble had in mind, then, that don't exist?

Mr. SLADE. No; that is not being done.

Mr. MARBLE. Just one question. You spoke of the time made by equipment of all classes. Just what do you include in that?

Mr. SLADE. I include box cars, coal cars, flat cars, foreign cars of all classes, ore cars—all the freight equipment moved over our lines.

Mr. MARBLE. Have you any statistics showing the movement of box cars engaged in the hauling of dead freight?

Mr. SLADE. No, sir.
Mr. MARBLE. You have not that separately?
Mr SLADE. No, sir.
Mr. MARBLE. Your Oriental trains are trains which run almost on passenger time and would be included?
Mr. SLADE. The cars move in those trains and, of course, are included in them.
Mr. MARBLE. And also ore cars, which are comparatively slow—all of them?
Mr. SLADE. It shows all classes of equipment.
Mr. BEGG. Oriental trains do not make passenger time, do they?
Mr. SLADE. No; twelve and a half miles an hour.
Mr. MARBLE. We find some trains in here running 25 miles an hour.
Mr. SLADE. That is frequently necessary in order to maintain this 12½ mile an hour schedule.
Mr. MARBLE. That is the reason I spoke of passenger time.
Mr. BEGG. What is passenger time?
Mr. SLADE. Thirty and a half miles an hour from St. Paul to Superior.
Commissioner LANE. What is the usual freight schedule from Grand Forks to Duluth?
Mr. SLADE. The best freight schedule in the opposite direction—we have no fast freights eastbound, because there is no high-class traffic moved in that direction—as the best freight moving in that direction makes an average of about 14 miles an hour from Superior to Grand Forks.
Commissioner LANE. Going eastward now, dead freight trains, what is the schedule time?
Mr. SLADE. We have no train scheduled, except our way freight or slowest trains. No scheduled freight trains.
Commissioner LANE. What is your slowest train—what would be that time?
Mr. SLADE. About 10 miles an hour—the slowest schedule train.
Commissioner LANE. They have been known to make less?
Mr. SLADE. Oh, yes, sir; indeed.
Mr. BEGG. You don't include in that average the car movement of passenger cars?
Mr. SLADE. None whatever, of course.
Mr. BEGG. That is all.
Commissioner LANE. That is all, Mr. Slade.
(The witness was excused.)

H. J. HORN, called as a witness, was duly sworn and testified as follows:

Mr. MARBLE. You reside in St. Paul?
Mr. HORN. Yes, sir.
Mr. MARBLE. And you are general manager of the Northern Pacific Railway Company, are you?
Mr. HORN. Yes, sir.
Mr. MARBLE. How many miles of road has your system?
Mr. HORN. We have 5,400 miles.
Mr. MARBLE. Fifty-four hundred?
Mr. HORN. Yes, sir; 5,400 under my jurisdiction.

Mr. MARBLE. How many locomotives have you?

Mr. HORN. We have something over 1,000.

Mr. MARBLE. How many over 1,000?

Mr. HORN. I would like to give you the exact figures, if you will permit me.

Mr. MARBLE. Certainly.

Mr. HORN. Our exact figure, December 3, shows 1,060 engines.

Mr. MARBLE. And the miles of road—have you that exactly before you?

Mr. HORN. I have not got the miles of road exactly.

Mr. MARBLE. Have you the figures for the number of freight cars of all classes?

Mr. HORN. Yes. The engines on our annual report—these are annual report figures—were 1,005 in 1906.

Mr. MARBLE. And that was up to——

Mr. HORN. June 30.

Mr. MARBLE. That has increased since then?

Mr. HORN. Yes, sir; increased since then. We have received, oh, about 70 engines since then.

Mr. MARBLE. Now, the freight equipment.

Mr. HORN. We had 36,097 cars in 1906—June 30.

Mr. MARBLE. Have you increased that since then?

Mr. HORN. Yes; that has come in after possibly 1,500 cars since then.

Mr. MARBLE. Your increase, then, since June 30, has it or not been greater than the increase in previous years—the year previous to June 30?

Mr. HORN. Our cars compared with the previous year—1905—I will read from our annual report, if it pleases you. In 1901 we had a little over 26,000 cars; in 1905 we had 35,135 cars; in 1906 we had 36,097 cars. Well, now, if you put that on a capacity basis and call the number of cars—put that on a capacity basis—call the number of cars in 1901 100 per cent of our capacity of cars—the following is the capacity of our freight cars in 1901:

One hundred per cent in 1901; 122 per cent in 1902; 130½ per cent in 1903; 132 per cent in 1904; 151½ per cent in 1905; 163 per cent in 1906. If we keep up the gait that is ordered—get the cars ordered for 1907 we will have a capacity in 1907 of about 250 per cent as compared with 1901.

Mr. MARBLE. You show the cars since June 1?

Mr. HORN. I misquoted. I thought 250 per cent; it is about 240 per cent; something like that that we will get.

Mr. MARBLE. We are concerned more with the number of cars and tonnage—the number of cars has increased since this report?

Mr. HORN. Yes, sir.

Mr. MARBLE. About 1,500?

Mr. HORN. I should say so.

Mr. MARBLE. From the report I make it an increase of 962 in the year previous.

Mr. HORN. Nine hundred and sixty-two is correct, as given by the annual figures.

Mr. MARBLE. That is the increase for the year previous.

Mr. HORN. Yes, sir.

Mr. MARBLE. How many of your cars are off your line?

Mr. HORN. We have, I think, about 10,000 off our line. If you will wait a minute I will get the figures. (Mr. Horn looks for papers.) We have off our line 9,000 cars (referring to paper).

Mr. MARBLE. On what date?

Mr. HORN. I have not got the date here. It was probably the first week of December. Somewhere in there; about the first week in December.

Mr. MARBLE. And how many foreign cars have you on your line?

Mr. HORN. Fourteen thousand and seven cars.

Mr. MARBLE. On what date.

Mr. HORN. The same date, this year—made for the same date. I have not the car service. [Mr. Marble hands paper to witness, who takes it and looks it over and hands it back to Mr. Marble.]

Mr. MARBLE. They are correct, are they?

Mr. HORN. Yes, sir.

Mr. MARBLE. May I read them?

Mr. HORN. Yes, sir.

(Mr. Marble reads paper as follows):

Northern Pacific cars on foreign lines August 28	8,512
Foreign cars on Northern Pacific line August 28	14,007
September 11, Northern Pacific cars on foreign lines	8,796
Foreign cars on Northern Pacific	13,739
September 25, Northern Pacific cars on foreign lines	8,251
Foreign cars on Northern Pacific line	14,413
October 9, Northern Pacific cars on foreign lines	8,430
Foreign cars on Northern Pacific line	14,188
And so it reads on down to the last figure.	
October 30, Northern Pacific cars on foreign lines	9,159
Foreign cars on Northern Pacific line	14,929
November 6, Northern Pacific cars on foreign lines	9,285
Foreign cars on Northern Pacific line	14,942
November 13, Northern Pacific cars on foreign lines	9,576
Foreign cars on Northern Pacific line	15,602
November 20, Northern Pacific cars on foreign lines	9,838
Foreign cars on Northern Pacific lines	15,957

I will ask that that be marked as an exhibit.

(The same is received in evidence and marked "Exhibit No. 1—Horn.")

Mr. MARBLE. Have you any remedy to suggest, Mr. Horn, to prevent car diversion?

Mr. HORN. We are not complaining just now.

Mr. MARBLE. Are your engines in good repair, do you consider?

Mr. HORN. We consider them in first-rate repair; yes, sir.

Mr. MARBLE. Do you know what percentage are in the repair shops?

Mr. HORN. Yes, sir. I would like to explain the way we keep track of our engines. However, I keep no track of the number of engines, but I do keep track of the number of driver weight—tons of driver weight in service; and our engines in back shop or roundhouses being held for ten to twelve hours repairs—that counts as an engine out of service.

Mr. MARBLE. You do not keep them by number of engines at all?

Mr. HORN. I have not, while I do keep it by pulling capacity.

Mr. MARBLE. You say so many tons are under repairs?

Mr. HORN. So many driver weight—that is, ability to pull cars. I count what is in the back shop, or in the roundhouse, being held

for repairs, which runs from 16 to 18½ or 19 per cent during the past two years.

Mr. MARBLE. Do you call that extraordinary?

Mr. HORN. No, sir. Those we think have been kept very close for the past two years—since August, 1904.

Mr. MARBLE. Not extraordinary, as to that number—either large or small?

Mr. HORN. No, sir.

Mr. MARBLE. As to your engines not under repair—do you consider they are up to the standard of efficiency that you require for your work?

Mr. HORN. We are making with the engines in our service more miles per engine than most other roads in the country, from the figures I have seen. Of course, I have seen them from perhaps a dozen roads, and on the tons that the engine pulls during the month we are doing considerably better than most of the roads.

Mr. MARBLE. You are doing better in miles and tonnage hauled?

Mr. HORN. In tonnage; yes.

Mr. MARBLE. How about your foreign cars, as to their mileage?

Mr. HORN. Our freight-car mileage lines up very well, I think. I will give you, if it please you, the figures we have made of foreign cars on the line and the figures of some other roads which they have made of foreign cars. These are cars that each road is supposed to try and get rid of, and these figures are for the year 1904.

The Milwaukee made 19.3 miles per day.

The Erie, 20.5 miles per day.

The Great Northern, 43.8 miles per day.

The Northern Pacific, 46.8 miles per day.

Now, those are foreign freight cars for the year 1904.

For the year 1905——

Mr. MARBLE (interrupting). Pardon me, a moment. How were those freight cars paid for to the owning roads?

Mr. HORN. The same as they were up to December 1st of this year.

Mr. MARBLE. Per diem?

Mr. HORN. Yes, sir. For the year ending December 31, 1905, the average of all cars, which includes system's and foreign's—that is, all freight cars I am talking about now—on the Burlington, were 28.1 miles per day.

The Erie, 20.8 miles per day.

The Northern Pacific, 30.1 miles per day.

Those are the only figures that we have been able to get from other roads to compare our work with on the miles per day.

Mr. MARBLE. Do you think you are having more or less trouble than other roads at the present time?

Mr. HORN. Well, I thought we were having more trouble than other roads until I spent a week in Chicago in a general managers' meeting, and then I thought we were getting along pretty well, when I heard the other fellows tell their trouble. Why, then we thought we were not so badly off after all.

Mr. MARBLE. You were fairly contented?

Mr. HORN. Not contented; no, sir.

Mr. MARBLE. What class of traffic has increased this year? You would say, as Mr. Slade, that the increase of traffic is one of the rea-

sons for this freight car failure—the failure of transportation facilities?

Mr. HORN. Why, we have had heavy increases in all commodities, and if you are taking the net ton miles as the measure—that is, the amount of freight that is hauled—and if you will go back to 1901 as 100 per cent, our business in 1901 was 100 per cent.

	Per cent.
1902	134
1903	156
1904	157
1905	185
1906	219

You will see that it has a little more than doubled since 1901, and at the rate it is going now up to, I think it is, November 1, it is about a 15 per cent increase in the business handled as compared with 1906.

I am talking about fiscal years all the time.

Mr. MARBLE. Between last year and this?

Mr. HORN. Yes, sir.

Mr. MARBLE. Increased about 15 per cent over last year?

Mr. HORN. Over last year.

Mr. MARBLE. Not 15 per cent over a small year like 1901?

Mr. HORN. As compared with a small year, about 25 per cent.

Mr. BUNN. 1901 was a small year?

Mr. HORN. We did not think so at the time.

Mr. BUNN. Bigger than any previous year?

Mr. HORN. As I remember the record year of ton mileage up to that time.

Mr. MARBLE. In what year has it been greater?

Mr. HORN. 1903 and 1904 were the same. There was only 5 per cent or 6 per cent of 1 per cent difference in 1903.

Mr. MARBLE. Now, as between those years and last, what is the tonnage that has increased?

Mr. HORN. Well, the farm products, 30 per cent more. There was about the same movement of grain this year as last. The last time I took that I showed that there was a decrease of 4 or 5 per cent, something between those two. On merchandise we have run heavier. The coal from the head of the Lakes, during November, we had an increase of 50 per cent in the coal handled, based on cars. I have not the tons. Compared with the year before, in October the increase was possibly 35 per cent, but there has been a general increase right through.

Mr. MARBLE. Does that mean that you discriminate against the grain, and that is the reason it decreased while other classes increased?

Mr. HORN. No; the reason we did not handle more grain was that we could not without taking empties away from the head of the Lakes, where we had loads going. That seemed quite as important as anything we had to move. We went over that question among ourselves a great many times as to what to do to improve the movement of grain. Not only this year, but last year we had a great many conferences, and studied it—picked out commodity by commodity, sometimes a little earlier in the season, and sometimes a little later, and tried to see where we could let up on something, leave the freight behind, and take empties into the grain field, so as to help the grain movement out, and every time we did it we were forced to give it up.

Mr. MARBLE. Forced to let the grain wait?

Mr. HORN. Forced to let the grain wait.

Mr. MARBLE. The fact that the grain was in noncompetitive territory and could not move except when you got ready to move it was not a factor in your considerations?

Mr. HORN. I do not think it had a thing to do with it. In fact, in one or two instances when there was freight to move in competitive territory, we purposely did not try to put cars. On the Seattle Division, where we have been, as you must know, in bad shape to move lumber, for a long time we purposely diverted cars into strictly noncompetitive territory, in the hopes that some of the other roads would get some of that business. There is an instance where we purposely avoided the competitive territory.

Mr. MARBLE. What other roads were your competitors?

Mr. HORN. The Great Northern and the Canadian Pacific railroads.

Mr. BUNN. Union Pacific?

Mr. HORN. In a way, yes, sir. If they had furnished the cars they ought to have got the business.

Mr. MARBLE. You have heard the statement, possibly, that competitive points in the wheat country were favored, as against noncompetitive points, in the distribution of empty cars. Do you see that to be so from your standpoint?

Mr. HORN. I have only been in the east during the last three seasons, but I do not think it is so. Some of the junction points are naturally good unloading points, and that furnishes cars, regardless of whether it is competitive or noncompetitive territory. Understand me, what I mean by unloading——

Mr. MARBLE. You mean freight comes into the junction town, and that you can take these cars and allow them to be loaded to be shipped out?

Mr. HORN. Yes, sir; that is what I mean by unloading points.

Mr. MARBLE. And is there any other explanation at all of the fact that the elevators in the competitive town have been able to remain open to a greater degree than the elevators in the noncompetitive towns?

Mr. HORN. That may be so, but in thousands of cases where—I have not been over the line this fall, but last year we found some competitive towns that had no cars at all, and in adjoining points, that were noncompetitive, they had cars. That I noticed fast fall. This year I have not been out over the line.

Mr. MARBLE. Do you consider that your road is operating too economically?

Mr. HORN. No.

Mr. MARBLE. You would not spend more money if you had the say so?

Mr. HORN. What do you mean by spending more money?

Mr. MARBLE. Increased proportion of the operating expenses to gross income at any point.

Mr. HORN. Whenever we see that we can do any good by simply increasing the operating expenses and improving the service, we do it.

Mr. MARBLE. Even if you do not increase your profits, but you do it to increase the service to the public—would you consider that a warrant for increasing operating expenses?

Mr. HORN. We certainly would.

Mr. MARBLE. Are you prepared to suggest any point at which increases should be made?

Mr. HORN. I am busy making out a list which we make out every year, increasing operating expenses, and increasing facilities in service, and we have a very large amount of work under way now to improve facilities in service.

Mr. MARBLE. Do you think conditions the next crop year are going to be better than conditions this crop year have been, the crop being the same?

Mr. HORN. It depends upon what success we have with our improvements. We had expected to have our Rices Point yard at Duluth fixed for the crop this year. That would have given us about 11½ miles additional trackage, and made the yard much more effective. We missed it, but of course expect to have it ready for next year. At Staples in the last two years (that is our next big yard) we have, I would say, got double capacity in Staples to what we had two years ago—not in tracks, but in efficiency. In actual tracks we have got eight more yards, and at Fargo we are moving out of town and putting up a big yard at Dilworth, and if we have good luck completing that we will be in very good shape to handle the crop next year. If we fall down on labor, things will not be any better than they are.

Mr. MARBLE. From your experience, and leaving out elements of luck, are you prepared to make a statement as to what the situation in this country is going to be from the first day of July next year to the first day of the following July, in the manner of moving freight through this Northwest country?

Mr. HORN. We expect it to be a great deal better than it has been for several years.

Mr. MARBLE. Are you confident of that?

Mr. HORN. Well, I would give long odds on that.

Mr. MARBLE. The wheat crop this year seems to be about the same as last. If it is the same next year as this, you are confident it will be moved better than this year's has been?

Mr. HORN. Yes, sir.

Mr. MARBLE. That is all.

Mr. BUNN. Mr. Horn, the district in which this wheat is raised has been gradually moving westward, has it not?

Mr. HORN. Yes, sir.

Mr. BUNN. So that the haul on wheat has increased something over previous years?

Mr. HORN. Yes, sir; we are getting wheat from north of Jamestown in larger quantities, and from west of Mandan.

Mr. MARBLE. Do your connections, the Soo Line and Milwaukee Company, give you an unexpected amount to haul to Duluth?

Mr. HORN. My recollection of the figures are something like 5,000 more cars this year than last.

Mr. BUNN. What has been the effect of traffic by reason of our having loads to carry back in these cars when they were empty of wheat?

Mr. HORN. It made our terminal at Duluth—it congested it a great deal more than it had been the year before. In 1905 we had trouble taking care of the crop the way it moved, and made this large expenditure, increasing the track and equipment at Rice's Point Yard about forty per cent. Then, we have always been able to haul empties out.

When we have an empty to move, as soon as made empty you can get it out and put it on any other train; but these cars had to be placed before loading, because there was so much stuff going west that we could not get rid of it. We could not get rid of the haul, I mean; and that involved in a great many cases——

Mr. BUNN. There was also the necessity of getting coal into North Dakota, of course, all the time, was there not?

Mr. HORN. There was, and that involved several handlings, and made very slow movement, and made it hard on the yard force to get the cars out.

Mr. BUNN. It is true, is it not, Mr. Horn, that a car of wheat at Duluth, and loaded back with coal or merchandise, that there are several handlings in the movement?

Mr. HORN. Yes, sir.

Mr. BUNN. The difference does not simply amount to one extra handling?

Mr. HORN. Now, I have gone over that with the fellows several times, and three or four handlings are necessary, they tell me.

Mr. BUNN. Tell the commission why that is.

Mr. HORN. Well, it may be unloaded on one person's road, go to the terminal and get onto ours, and repeat the operation coming back.

Mr. BUNN. Have you sent back any empties from Duluth west since the 1st of October?

Mr. HORN. I looked that up the other day, and my recollection is that we sent but 39 empties west from the Lake Superior to the Minnesota division during November.

Mr. BUNN. That is an entirely different proposition from what has been proven in previous years?

Mr. HORN. It is the first time, so Mr. Blanchard tells me, in twenty years. He has been connected with the road either as dispatcher or superintendent for twenty years, and he says this is the first year that he ever hauled empties west to the Minnesota division from the Lake Superior division.

Commissioner LANE. The first year that he ever hauled empties west?

Mr. HORN. I mean unable to haul empties west.

Mr. BUNN. Failed to haul them?

Mr. HORN. Yes.

Mr. BUNN. What provision did you make for moving the North Dakota and Minnesota wheat bringing empty cars there before the crop commenced to move?

Mr. HORN. During August we accumulated on the Dakota division something like 1,800 cars.

Mr. BUNN. The Dakota division is the wheat field?

Mr. HORN. The Minnesota and St. Paul divisions have enough freight unloading at those wheat points to take care of the wheat crop.

Mr. BUNN. How many cars did you say you accumulated?

Mr. HORN. We had during August about 1,800 cars over what we had. I would say that gave us about 3,500 or 4,000 cars to start loading wheat with.

Mr. BUNN. So that there would be empty cars where wheat is marketed in North Dakota?

Mr. HORN. Yes, sir.

Mr. BUNN. Did any of those cars come from west of North Dakota?

Mr. HORN. Yes, some of them came under load from the West—were made empty at those points and simply left there waiting for the——

Mr. BUNN. Did you not haul empties from Montana into the wheat country?

Mr. HORN. I do not think we hauled them there during August, Mr. Bunn. There were parts of September that we hauled empties both ways into the grain field, and I can not answer just what we did.

Mr. BUNN. With 3,500 cars ready for wheat, when it came in, what happened?

Mr. HORN. They got ready very quickly and we were unable to move them without stopping other business.

Mr. BUNN. Can you tell about how many cars a day you can move out of North Dakota loaded with wheat?

Mr. HORN. It depends upon what we are having to move in other lines, of course.

Mr. BUNN. Take ordinary conditions?

Mr. HORN. We can move over our main line, Dakota division, 350 or 400 loads in either direction. From the Minnesota division, we have moved some days as high as 700. The average is about 400.

Mr. BUNN. Then you, apparently, had about all the cars you could move in ten days loaded?

Mr. HORN. Yes, sir; at one time.

Mr. BUNN. When did wheat commence coming into the market?

Mr. HORN. I would say about the 15th of September, that these cars were pretty well loaded up.

Mr. BUNN. What has been the result of that

Mr. HORN. In what way?

Mr. BUNN. Making the car movement slow?

Mr. HORN. Well, it made the average car movement very slow, because so many of the cars stood. Some of the time we had to stop taking stuff into Duluth. There was one time we suspended east bound toward Duluth which delayed the movement for forty-eight hours, something that I can not recall as having ever been forced upon us before.

Mr. BUNN. What was the reason of that?

Mr. HORN. Our terminal—could not get the stuff into our terminal.

Mr. BUNN. And as a result of that there was not any use of moving stuff into there which could not be unloaded?

Mr. HORN. It made it that much harder to handle the stuff that was already there.

Mr. BUNN. During October, was the condition—or during a part of October—was the condition one of congestion and comparative blockade from Duluth yard west to the Missouri River?

Mr. HORN. Would you repeat that?

Mr. BUNN. During the month of October, or any part of it, was the condition one of congestion, or partial blockade of the road, from Lake Superior to the Missouri River?

Mr. HORN. Yes; our terminals—district terminals—generally had 150 to 200 loads awaiting transit each day, and the principal reason for that was that we could not get rid of it at the other end. The blockade at the head of the lakes would be felt as far as Mandan very quickly.

Mr. BUNN. And this congestion, rather than being one of car shortage, if I gather what you mean, is one of inadequate terminals and track facilities?

Mr. HORN. Certainly.

Mr. BUNN. How do you explain, Mr. Horn, cars standing at the station and being delayed in moving with grain, before they move?

Mr. HORN. At an intermediate station?

Mr. BUNN. At an intermediate station.

Mr. HORN. The train starts from its terminal and has got its tonnage before it gets to some of these points, and that will happen sometimes day after day.

Mr. BUNN. Mr. Horn, do you load your engines too heavily?

Mr. HORN. No, sir.

Mr. BUNN. Tell the Commission how and on what principle they are loaded.

Mr. HORN. If you take a grade, for instance, like a mountain grade, where there is absolutely nothing to overcome but just simply the lift of the trains up these grades, we put our engineer, road fireman, our mechanic, and our superintendent onto the first new engine of any particular type that comes on. We make tests at slow speeds and at higher speeds, and between them they decide what they can pull up the mountain. We give those engines an absolute tonnage rating, based on what they can go along with and make fair time.

Mr. BUNN. What do you call fair time?

Mr. HORN. On the mountain question?

Mr. BUNN. No; generally on the road.

Mr. HORN. Well, ascending a mountain, I call 8 miles first-class time.

Mr. BUNN. What is fair average time over the roads?

Mr. HORN. Ten miles an hour is what our schedule is built up on.

Mr. BUNN. Is this rating you give an engine all it will haul, or all it will haul and make fair speed?

Mr. HORN. All it will haul and make fair speed.

Mr. BUNN. Now, what percentage of that rating are your engines loaded on the average?

Mr. HORN. The average? We are running about 75 per cent the last few months of our engine rating.

Mr. BUNN. What was the effect, Mr. Horn, of decreasing the size of your trains and increasing the number?

Mr. HORN. It would add very much to our trouble on our main line which limits our business now.

Mr. BUNN. What is the principal limit of business on your main line?

Mr. HORN. On the main line it is the meeting and passing of trains. We have checked that up lately—the last eighteen months—a number of times where things got hard, and tried to find out the remedy for some of our districts where trains are heavy—I mean thick. Why, where business is heavy half the time of the train between terminals is in meeting and passing trains.

Mr. BUNN. What is the condition of your main line at Jamestown to Staples during this fall; was it practically being taxed to its capacity?

Mr. HORN. The business handled over the main line——

Mr. BUNN. Well, take between Fargo and Staples.

Mr. HORN. Between Fargo and Staples we handled, during October, 450,000 net tons per mile of track for the month. That is what we call our density; that is, the number of tons that passed over 1 mile of track during the month, and that road at the beginning of the season, had 17 miles of double track from Wadena into Staples. We handled, in October, 450,000 net tons per mile of track. I looked over some of the other roads. The figures of the Burlington out of Chicago from Clyde to Galesburg, which is a double track, and in some parts has more than two tracks, no day during the past year have they gone very much over 400,000, 405,000, or 410,000 net tons per mile of track.

Mr. BUNN. And you carried how many thousand net tons?

Mr. HORN. Four hundred and fifty thousand.

Mr. BUNN. How do you compare with the Erie and New York Central?

Mr. HORN. The figures have been given me by Mr. Johnson, our assistant comptroller, and have been taken from our annual report. The Erie Railroad had a mileage of 2,151 miles; the net ton mileage or density for the year (the other figures I was giving you was for the months) were 2,943,863 tons. The New York Central had a mileage of 3,774 miles or a density of a little over 2,500,000 for the year. Now, if you were to compare that Minneapolis Division during October, with the average miles for the year of the Erie road, they had $2\frac{6}{10}$ net ton miles for the year as compared with $5\frac{4}{10}$ net ton miles, averaging October for the entire year.

Commissioner LANE: That would not be a fair average?

Mr. HORN: It would not be a fair average. I compared the main line with what Mr. Bunn suggested.

Mr. BUNN. Make that so I can get the comparison.

Mr. HORN. The Erie Railroad—for the year—density would be 2.6, Minneapolis division would be 5.4. The New York Central would be 2.6, and the Minneapolis division would be 5.4. Those are relative.

Mr. BUNN. You have got one track and these roads have two to four tracks?

Mr. HORN. Yes, sir.

Mr. BUNN. In other words, if you take October, you are doing twice as much a business per mile as the Erie or as the New York Central?

Mr. HORN. Yes, sir; very nearly. Two and six-tenths is 2.5 more.

Mr. BUNN. That means necessarily that you have got plenty of money with which to make improvements?

Mr. HORN. We ought to have, even after cutting rates.

Mr. BUNN. Do you know any single track that has more dense traffic?

Mr. HORN. I have not the figures. I have talked with some managers of roads running out of Chicago, and have only got the density that they have given me, but I have yet to find a road running out of Chicago that has handled more density than this Staples to Fargo. That is the throat of our system; all our business pours right in over that throat.

Mr. BUNN. You are comparing, when you say roads out of Chicago, you are comparing with double-track roads are you not?

Mr. HORN. I think they are all double-track roads.

Mr. BUNN. Mr. Horn, I should like to have you show the Commissioners what the Northern Pacific is doing to prepare itself to take care of this business—what it has been doing for the past year. Now you have got a diagram here somewhere that shows that better than anything else.

(Mr. Horn at this point laid before the Commissioners a certain profile map, which is hereby received in evidence, and marked "Exhibit No. 2" to Mr. Horn's testimony.)

Mr. BUNN. That shows that better than anything else.

Mr. HORN. Starting here [indicating] is Staples, Fargo, Mandan, Glendive, Billings, Livingston, the foot of the mountain, Helena, which is at the foot of the Missoula Mountain, Spokane, Pasco, the Willamette River; and this is over the Cascade Mountain, into the sound, or Seattle.

Now, starting with the west end, where the trouble has been this year, we have here—this line here is red, showing where we are building additional track.

Mr. BUNN. You mean double track?

Mr. HORN. Yes, sir; I mean double track.

These lines here [indicating] show where we are cutting down grades.

Commissioner LANE. The red lines on the line of track?

Mr. HORN. The red line down here [indicating] on the base line, shows where we are double tracking the road. The red line of the profile shows where we are cutting down grades. Between Staples and Wadena, we put in a piece of double track 17 miles in 1904. We have cut those grades, which is a 1 per cent helper in here [indicating], and makes it very hard to handle our trains during the rush season, to get our helpers around. We are cutting that down to a three-tenths grade, so that we will have no helpers. We will have a double track. This is the heaviest work I have ever seen; one fill has 4,000,000 yards in it.

Mr. BUNN. What would be the grade of your new double track?

Mr. HORN. The grade of our new double track will be three-tenths in either direction, and with the changes that we are making here [indicating] we will have from Mandan to the head of the Lakes, or from Mandan to the Twin Cities, a three-tenths grade for hauling the stuff East.

Mr. BUNN. What effect is that going to have in enabling you to handle your business?

Mr. HORN. We can handle, when this is done very easily over that track, with the same power that is now assigned that division—easily double the business that we are now handling. This improvement (before I get away from it)—this improvement is no good here, unless we take care of the terminals at Duluth. We might just as well save that money, if we are not going to do more business at the head of the Lakes, or the Twin Cities.

Mr. MARBLE. These improvements will affect Minneapolis business, also, then?

Mr. HORN. Oh, yes.

Then here [indicating] our Fargo yard has absolutely outgrown itself, and we are putting in a very fine yard with a modern roundhouse there, which is something new. I have not seen it anywhere

else before. In the winter it is very hard to get our power around in these Dakota winters. Now, we are putting in what we call an inside cinder pit. We are going to take our engines right in and dump the fires right in the roundhouse. We think we can move our power better. It is an experiment, and it is an expensive one, and that terminal is going to be a very good one.

This yellow line is stuff that is not authorized but is contemplated. Surveys have been made and estimates have been made, but we are not—we have not started on the work. Nothing is authorized.

Mr. BUNN. That is all west?

Mr. HORN. All west.

Mr. BUNN. Now, to proceed as to work that is being done.

M. HORN. On the Bozeman Mountain we are double tracking the east side of the Bozeman Mountain and revising the grade from a 2.2 to 1.8. Now, there is a piece of work that we are actually throwing away, 12½ miles of our own line, and building a new line to make it a little better. You asked the question the other day to some of the men, if they had full authority would they do better than was being done—would they spend money better. This territory in here [indicating] is my old division, and I feel I know a good deal about it. If that had been left to me two or three years ago, I would certainly have double-tracked the existing line, and saved the money. I would have felt that that was pretty good double-tracked 2.2 grade for west-bound business; there was no occasion for spending the money.

Mr. BUNN. How much money, spending the amount you thought was necessary?

Mr. HORN. Six hundred thousand dollars.

Mr. BUNN. Now proceed as to the next work.

Mr. HORN. Here [indicating] is Missoula and here is Garrison. This work—all this work is already actually under contract. It is shown in red. That is revising the six-tenths to a four-tenths grade and double tracking. There is one of the hardest places we have, because the business is east. Our excess east over west, taking the main line as a whole, is getting farther apart all the time. There is more extreme difference in the business. Now, this [indicating] piece of work is shown in yellow. As a matter of fact, this instead of going over this mountain here [indicating] we leave the main line at a place near Paradise, and go up the Missoula River and strike what we call De Smet, building two miles of main line, so that instead of hauling freight over the mountain we will take it around and bring it through there [indicating].

Mr. BUNN. That gives you a double track?

Mr. HORN. That gives us a double track, over a bad mountain, and we get a double track here [indicating].

Commissioner HARLAN. Does that increase the haul by twenty-three miles?

Mr. HORN. About thirty. This will not save operating expense, but it will give it increased capacity during these congested times.

Mr. BUNN. Now, proceed west, Mr. Horn.

Mr. HORN. This is the first district of Idaho Division, from Spokane to Trout Creek. Most of this work has been completed. This work out of Spokane has been completed. There [indicating] it has been completed and ready for use.

Commissioner LANE. Are these improvements made out of your surplus or out of new capital.

Mr. BUNN. We have voted new capital to take care of it.

Mr. HORN. Now, we bring our lumber out over the mountain. Most of our lumber comes from Grays Harbor and South Bend Branches, goes into Tacoma, and comes out over the mountain.

Commissioner LANE. What is that long red line there [indicating] at the base?

Mr. HORN. This line here [indicating] is the new line—the same as over there [indicating].

Commissioner LANE. Does it mean a double track?

Mr. HORN. It is an alternate line. This is an alternate line around by the Columbia River from Vancouver to Pasco.

Commissioner LANE. You are going to run up on the north side of the river?

Mr. HORN. We are going to run up on the north side of the river, so instead of pulling the lumber into Tacoma—I mean the South Bend and Grays Harbor and that vicinity—instead of pulling that all over the mountain and into Tacoma, which is a hard draw, we will bring it out over that grade here [indicating].

Commissioner LANE. That does not stop at Pasco?

Mr. HORN. At Pasco we are building a new line—alternate line, instead of having this 1 per cent—which has helpers—and you see is rather a bad grade line, we will have this four-tenths, and drop four-tenths into Spokane.

Now, this new line here [indicating] and that is a sort of a mixture—some of it is new—about 45 miles new and 30 miles old.

Mr. BUNN. We have invested up to date something like $11,000,000 in that work, Mr. Horn?

Mr. HORN. I have not seen those figures. Now, taking this all together, this work is actually authorized. The chief engineer told me the other day—I think it was Monday—that that work had actually started. It is shown in yellow, due possibly to the draftsmen not having the formal authority; but, we are rebuilding either by alternate line or double tracking the existing line at that end, nearly 700 miles.

Commissioner LANE. But the great bulk of it is on the western end?

Mr. HORN. The great bulk of it is on the western end.

Commissioner LANE. What will be the effect of building this new low-grade line on the western end, so far as developing traffic which goes into Dakota and Minnesota is concerned. You expect to get a greatly increased traffic, do you not?

Mr. HORN. Yes, sir.

Commissioner LANE. And that will tend, unless measures are taken to relieve the congestion at this end, to congest still further up here, will it not?

Mr. HORN. The hard trouble is, we have got to fit the whole railroad up at once. It is not a job that we can do in one spot. The whole railroad was in pretty good shape in 1904, and it was in very bad shape in 1906.

Mr. BUNN. Some allusion was made by one of the witnesses, Mr. Horn, to the Northern Pacific having cut down its expenditures in the machinery department. Have you the figures on that subject?

Mr. HORN. Yes, sir; I have got them here. In 1900 we spent in maintenance on equipment $2,232,400; in 1906 we expended $5,944,119.

Commissioner LANE. Charged to repairs or to maintenance?

Mr. HORN. Maintenance of equipment; yes, sir.

Commissioner LANE. That does not mean increased maintenance of equipment; what of equipment?

Mr. HORN. You would call it repairs, perhaps, in speaking of it. It is to keep the repairs in working order.

Mr. BUNN. What is the comparison of the account between 1901 and 1905?

Mr. HORN. 1900, Mr. Bunn?

Mr. BUNN. 1900 and 1905?

Mr. HORN. We expended $2,232,400 in 1900 and $5,944,119 in 1906.

Mr. BUNN. That is more than double?

Mr. HORN. Yes, sir.

Mr. BUNN. There has been a constant increase in the interim?

Mr. HORN. Yes, sir.

Mr. BUNN. I think you need not give those figures. I simply want to negative that proposition.

Mr. HORN. An increase in 1905 of a scant $100,000, as compared with 1904.

Commissioner LANE. Of course, equipment has been growing poorer and older and needed more repairs as time has gone on.

Mr. HORN. The increase in equipment expense is one of the penalties of getting too many foreign cars on your line. This year about 1,600 bad-order cars (in freight—I am talking about freight)—I say 1,500 this year—we have about 1,600 right now. Three months ago we had about 2,600 bad-order cars. Now, a large percentage of those are the foreign equipment that comes over our line. It is not in a general way as well built as our own; it does not stand the punishment as well as our own, and increasing the foreign cars on our line has been expensive in several ways—in the amount of equipment charges, in the rental we have had to pay while they are here, because we were not making the movement we were two years ago with the foreign car.

Commissioner LANE. You did not answer the suggestion which was made, whether your equipment in 1905 and 1906 is older and more in need in repairs than it was in 1900.

Mr. HORN. How is that?

Commissioner LANE. Is the equipment of the Northern Pacific, at the present, or was it in 1905, on the whole, or in poorer condition than it was in 1900?

Mr. HORN. No, relatively, the Northern Pacific's equipment is relatively newer than it was a year ago.

Commissioner LANE. How does it compare with 1900—is it not newer then it was then?

Mr. HORN. Relatively, yes.

Commissioner LANE. Is it not true, Mr. Horn—take the year 1900, to illustrate that more coal and small cars are on hand which are undergoing alterations and being discarded and new cars being purchased in their place?

Mr. HORN. Yes, sir.

Commissioner HARLAN. By line equipment, as you have used that phrase, you include replacing?

Mr. HORN. No, sir; I include in this item repairs—the repairs to the cars that we have on our rails.

Mr. BUNN. Just a mere matter of repairs—we show the additional investments.

Commissioner LANE. I must say, it is not explained yet, just how it is that a lot of cars which are newer to-day as a whole, than they were a year ago, should cost more for repairs?

Mr. BUNN. We have a good many more cars.

Commissioner LANE. No; the figures do not bear that out.

Mr. BUNN. If I understand Mr. Horn's comparison, between 1904 and 1905, he stated there was an increase in every intervening year in the amount expended in improvements. My purpose is simply to answer the suggestion thrown out by Mr. Phelan that the Northern Pacific had economized in its equipment and had decreased and cut down the amount of money expended for repairs.

Commissioner LANE. The amount or necessity—it might now be even much greater.

Mr. MARBLE. May I ask a question, Commissioner Lane, just to bring this matter out? Mr. Phelan's criticism is not being met, as I remember his testimony. How have your appropriations increased for parts—material or extra parts carried on engines or stuff of that sort?

Mr. HORN. Our supplies, taking them the way we used to keep them, are very much heavier than they used to be, something like, I would say, offhand, $1,000,000 more; but we have got an account of the last two years of what we call our circulating supplies, the supplies we are using every month, and we keep—those have been running about the same, about one and one-half million dollars on hand for the last two years.

Mr. MARBLE. As to the amount consumed, the amount used up?

Mr. HORN. The amount on hand.

Mr. MARBLE. I say, as to this other item—the amount consumed?

Mr. HORN. The amount consumed is a good deal more. I can not give you the exact figures, but I took it up with one of our stores men, and the ratio is very much higher than it was two years ago.

Mr. BUNN. Is the amount consumed higher than in the figures that you have read?

Mr. HORN. In this amount of equipment?

Mr. BUNN. Yes.

Mr. HORN. Oh, yes; that is labor and material.

Mr. BUNN. Now, go back to that. Now, let us have this clear. These figures represent, as I understand it, the amount paid out for labor and material?

Mr. HORN. Exactly.

Mr. BUNN. Including equipment and repairs? Now, you can state why it is it has increased from $2,250,000 in 1900 to $5,500,000 at the present time?

Mr. HORN. Well, for instance, on cars. I can not compare these cars with 1900, Mr. Bunn, because we go back to 1901, but on cars we have 63 per cent more equipment in cars. On engines we use the driver weight for measuring the engines. We have 90.6 per cent more engines in 1906 than we had in 1901.

Mr. BUNN. Is it true that all this equipment has been more taxed and used in 1905 than in 1901?

Mr. HORN. It has been used very much harder. The miles made are more than we used to make with our engines. We are doing better on mileage, making more miles with our cars than we did in 1901.

Mr. BUNN. And also more miles with your engines?

Mr. HORN. Yes, sir; considerably more.

Mr. BUNN. You gave some figures in your direct examination of the per cent of engines out of service. If I understood you in the matter correctly, you included in engines out of service everything that was out for twenty-four hours.

Mr. HORN. Yes, sir.

Mr. BUNN. You gave the figures for 1905; have you got any figures of the same kind for the year prior?

Mr. HORN. Which figures are you talking about?

Mr. BUNN. The percentage of efficiency of engines to the whole number run from August, 1904, to November 1, 1906. You have not any figures prior to that?

Mr. HORN. No, sir; we never kept the report in this shape. We started in August, 1904.

Mr. BUNN. Have you analyzed the business—the increase of business—so as to be able to say whether there was an unusual increase in the short-haul business?

Mr. HORN. I think I can give you that answer perhaps in this way: We used to have considerably more car mileage than now, but these cars being loaded from the head of the Lakes and going into the Dakotas have delayed our cars, and while the car mileage this year is not as great as last, the loaded car mileage is better—bigger percentage of cars used.

Mr. BUNN. Did you have any trouble with labor and with storms this fall? Did they play any part in the congestion which has existed?

Mr. HORN. Labor has been very short, and a great deal of it is not as effective as usual, and it has added a very important part to our troubles. The most of our Pacific and Seattle division was tied up for eleven days, and when it was opened it was not as effective as it was before, on account of switches and part of it not being opened up at the end of eleven days. Storms have been bothering us, holding up our trains off and on, I would say, for the past ten days in North Dakota.

Commissioner HARLAN. How does the scale of wages this last year compare with 1901 on your road?

Mr. HORN. They are no lower than 1901, and any changes that have been made have been to raise the 1904 raises.

Commissioner HARLAN. Do you know what the percentage is of increase?

Mr. HORN. In some items—in the yard men, that is the firemen and helpers—it has been 13⅓ per cent. The train men are working under the same scale as 1904.

Commissioner HARLAN. The thought I have in mind is this: You have spoken of the shortage in labor.

Mr. HORN. Yes, sir.

Commissioner HARLAN. Now, it has been a common story in the press for the last two or three years that farmers, in order to get their wheat harvested and thrashed, have had to raise their wages very considerably. The question in my mind is whether there is not any duty on the part of the railroads, when the farmers have to pay so much higher wages to get their wheat thrashed—the question arises in my mind whether there is not some duty on the part of the railroads of the country to get the wheat moved, and offer such inducements to move it.

Mr. HORN. There has been no hesitancy about raising the wages of labor (by that I mean common labor, such as I understand you mean) whenever we thought it would do any good—whenever we thought we could get more men by doing it.

Commissioner HARLAN. Just give instances of where that has been done—where you have offered increase of wages in order to induce labor to come to you. Take the present condition here—all the elevators are said to be filled with wheat ready to move. What inducements have you offered labor to come to you to help move that wheat?

Mr. HORN. Why, we have raised our wages along our line, from one end of the line to the other, on track labor. We have raised our wages.

Commissioner HARLAN. When was that.

Mr. HORN. Some of it was done, I would say, in July; some of it may have been done a little earlier than that, and then it has been done in patches during the winter.

Commissioner HARLAN. Mr. Horn, let me pursue the matter a little further. The railroads, in a general way, are under obligations to the public to move the traffic. You will admit that?

Mr. HORN. Yes.

Commissioner HARLAN. Do you intend to meet the conditions? The testimony here shows that all these elevators are filled at this moment. If not all of them, at least many of them are filled, and you have ascribed a part of your inability to move that wheat to shortage in labor. Now what present means have you taken to induce labor to come to you, and to that extent, to overcome this inability to move the wheat. You catch my point, do you not? Whether you have offered any extraordinary inducement, at this time, to meet this situation and induce labor to come?

Mr. HORN. Well, we look upon raising wages as the principal inducement, and we raised the wages. When we raised the wages, for instance, of switchmen at the head of the Lakes, that was a general movement all over the country.

Commissioner HARLAN. That was done recently?

Mr. HORN. That was effective November 1. When that raise was made, we thought we were going to get a good deal of benefit from more men—better men, but it did not work out for about a month or so. We had a great deal of trouble in getting men at the head of the Lakes, in switchmen.

Commissioner HARLAN. That is one point. Now at other points on the railroad, what have you done to induce labor to come to you to get this wheat moved?

Mr. HORN. We have raised our wages, wherever we thought a raise of wages would do any good. The trouble is, the men are not in the country. We have scouts out.

Commissioner HARLAN. What kind of labor do you mean?

Mr. HORN. Now?

Commissioner HARLAN. Yes; to move this wheat. Let us confine it specifically to the wheat question.

Mr. HORN. Do you mean to-day?

Commissioner HARLAN. Yes.

Mr. HORN. We need terminals to-day, and more railroads.

Commissioner HARLAN. I am not talking about facilities; I am talking about labor—what kind of labor do you need at those points where there is congestion of wheat?

Mr. HORN. We do not need any labor to help move the wheat. I am talking of this minute—to-day. We are well fixed for men right now.

Commissioner HARLAN. Then the shortage of labor does not enter into the congestion?

Mr. HORN. It does, in this way: If there had not been a shortage of labor these facilities would have been in shape now; and that thing is what has delayed our work.

Mr. BUNN. Mr. Horn has not testified of any shortage of train men.

Mr. HORN. We have no shortage of train men or enginemen. Last June we were short, but I would say that we have been in good shape for train and enginemen since about the first of July.

Commissioner LANE. Now, the terminal you refer to is at Duluth?

Mr. HORN. At Duluth.

Commissioner LANE. That is where you were embarrassed?

Mr. HORN. Yes, sir.

Commissioner LANE. When was there a shortage of labor in Duluth?

Mr. HORN. I would say from the 20th to the 30th of November.

Commissioner LANE. Well, you must have prepared for your terminals before the 20th of November or before the 20th of October?

Mr. HORN. We tried to prepare for them up there, but that was the yard that was not quite finished. That was where we increased our facilities 40 per cent, but did not get the work done in time to get any benefit from it this year.

Commissioner LANE. Now, you certainly knew some time in advance of the movement of the wheat crop that that terminal was not going to be ready, did you not?

Mr. HORN. No; we did not.

Commissioner LANE. When was it that you first discovered you were short on terminal facilities for the movement of the crop this year?

Mr. HORN. About a year ago. 1904 we got through nicely; 1905 we had trouble. We went right after it, and the yards that we asked for cost something like $200,000. The necessity of that was explained and I do not believe we were three days in getting the authority to do that work.

Commissioner LANE. Now, then, did you start in immediately upon the work?

Mr. HORN. We started right in as soon as we could get a dredge to handle it. They started in as soon as they could get a dredge. The yard was so congested we could not haul material through our yard without going out of business in the handling of our freight.

Commissioner LANE. When was that—when was the time you started to do the work at this terminal—what time was it?

Mr. HORN. I can not answer that. The engineering department handled the grading of the yard.

Commissioner LANE. Was it approximately in the spring of this year?

Mr. HORN. Yes, sir; just as early as we could get the dredge to work.

Commissioner LANE. Was the delay in the completion of that terminal due in any part to a lack of labor in Duluth?

Mr. HORN. I presume so, but it was handled by a contractor and he was hampered part of the time with his dredge, and part of the time, I have understood, with lack of labor.

Mr. MARBLE. Part of the time he quit your employment entirely, did he not?

Mr. HORN. Yes.

Commissioner HARLAN. Your present condition is due to lack of facilities and the lack of facilities is due to the previous shortage of labor?

Mr. HORN. That is about right?

Commissioner HARLAN. I understand it now.

Mr. BUNN. Can you tell the Commission, Mr. Horn, whether there is any money appropriated by the Northern Pacific for improvements and charged up to such purposes during the past year, which has not been spent for lack of labor?

Mr. HORN. Yes, there is a large amount.

Mr. BUNN. Well, roughly speaking, how much?

Mr. HORN. Oh, between $6,000,000 and $7,000,000, I would say; maybe more than that.

Mr. BUNN. Mr. Horn, you referred to the diagram which you showed me and which I would like to have you get in here?

Mr. HORN. I can get those diagrams.

Mr. BUNN. Simply to illustrate two or three of these questions in a graphic shape and instead of leaving it——

Commissioner LANE. While Mr. Horn is getting those I will read a telegram just received from Park River, N. Dak.

INTERSTATE COMMERCE COMMISSION, *Minneapolis, Minn.*

City schools and electric-light plant entirely out of coal. Flour mill has been closed for a week. Impossible to get any information or accommodation from Great Northern Railroad. Coal dealers have had no fuel for sale for two weeks. Can furnish written evidence showing discrimination on part of Great Northern.

J. J. DOUGHERTY.

I referred this telegram to the Great Northern officials, and they report that they did take in a carload of coal day before yesterday. Yesterday they were unable to get one in; and that they will take it up immediately and are trying to take care of the supply at Park River. That is right, Mr. Begg, is it not?

Mr. BEGG. Yes, sir; three cars day before yesterday.

Mr. BUNN. Mr. Horn, before you take those off, I want to ask you what you have done on the Northern Pacific—what measures have been taken to supply the need of coal in North Dakota?

Mr. HORN. I would like to go back a little on that.

Commissioner LANE. Don't go back too far.

Mr. HORN. We have burned up three stock piles we had during the last year in order to give people coal. We had stock piles on the Yellowstone division, and we piled them up three times, and the

needs for commercial coal—could not supply it—we have used out of our stock piles, and let the coal that we wished to burn on our engines go to the commercial trade. We have jeopardized our operation a good deal by taking just as little coal as we could, and we have expedited the coal—given it preference over everything that we run in the way of freight trains, and at times even sidetracking our fast-time freights.

Commissioner LANE. Are you giving coal that preference now?

Mr. HORN. Yes, sir.

Commissioner LANE. How long have you been doing so?

Mr. HORN. On some parts of the road we began—we have done some of that in October on parts of the road.

Commissioner LANE. Dakota—North Dakota, particularly?

Mr. HORN. North Dakota—I would say we have been preferencing that fairly two or three weeks.

Mr. BUNN. Giving the preference to coal loaded for North Dakota from Duluth for two or three weeks over any other kind of freight?

Mr. HORN. Yes, sir.

Mr. BUNN. Are you turning in all the empty cars that you can get into this business?

Mr. HORN. Yes, sir. We have been able to get some more cars from a party at the head of the lakes to haul our own coal, so as to be able to take care of the public a little better.

Mr. BUNN. Now, if you will show those diagrams.

Commissioner LANE. Is it possible that you could take those diagrams and submit a written statement?

Mr. BUNN. It won't take five minutes, and I should like to have you see them.

Commissioner LANE. All right.

(The above is marked "Exhibit No. 3—Horn," and filed herewith.

Mr. HORN. Here is the gross ton miles as platted. That is a year—there are twelve spaces—a month for each space, and here [indicating] is platted the gross-ton miles, because that is the work the engine has to do. That is the weight we have to move. Here [indicating] is the business—the net-ton miles. Now, that shows the increase from month to month, but what it brings out is what I call peak loads in the fall. November was that year; but that is the peak load, and you see the business jumps up there from 8½ to 12 in two months.

Mr. BUNN. What is the increase in your gross-ton miles from 1891 to the present time?

Mr. HORN. We will call it 4 $\frac{8}{10}$ up to 13.

Mr. BUNN. Four and two-tenths up to 13, comparatively?

Mr. HORN. That is it.

Mr. BUNN. That has increased about three times since 1899?

Mr. HORN. It has increased about three times since 1899.

Commissioner LANE. How much has the car capacity increased in that time?

Mr. HORN. I will give you that. Here is our business. Now, calling 1901—I did not go back beyond 1901. Here are the figures from 1901 to 1906. Now, taking 1901 as a hundred per cent there [indicating] is the line showing the increase of business in five years. Now, there is the driver weight, the capacity—that is, the capacity of the engine—the dotted line. We averaged there, you will see, at about 700 engines a day, an average driver weight capacity of 65,000

pounds. In 1906 we had 1,005, and an average driver weight capacity of 120,000 pounds. Now, here [indicating] is the number of cars that have been purchased. You see, that does not show much increase in car numbers, but putting it in the capacity of the cars that shows the increase.

Commissioner LANE. Increased from 700 to 1,150?

Mr. HORN. In capacity; yes, sir. Now, here is the line of our business—this black line here [indicating]: 1903 to 1904 stood almost stationary; 1901 was a hundred per cent. There is [indicating] 125, 150, and so on. The red line is the engine driver weight increase and the green line is the per cent increase of cars.

Commissioner LANE. One moment; let me see that.

Mr. HORN. If we get the cars and engines promised for 1907—and we have bought particularly with deliveries this year—we have sacrificed money in order to get deliveries—prompt delivery. Those engines and cars have been promised for early delivery. Now, if we get the engines and cars promised for 1907 delivered, our engine per cent for 1907 will be right where I have marked. Our business, net, increased 15 per cent over 1901. Just where it has gone so far will be there [indicating]. Our car equipment will be there. That is, you will see that we will have a little more engines, relatively, than business, a little less cars; but we feel that with all this alternate or double track and yard, we are going to move our traffic back in the same old mileage that we made two or three years ago, so that this car equipment is probably more effective than is really required. That is the reason I conclude we are lining up in an intelligent way to take care of next year's business. The whole road has got to be extended.

Commissioner LANE. In 1899, according to this table, you had between 48,000 and 50,000?

Mr. HORN. Four and nine-tenths gross tons.

Commissioner LANE. In 1906?

Mr. HORN. Scant 12.8.

Commissioner LANE. That is an increase of nearly three times.

Mr. HORN. Two and three-tenths per cent. That is the weight of the plane. Here is the business.

Commissioner LANE. This is net tons that represents 2,200 as to 62?

Mr. HORN. That is right as near as we can get at it.

Commissioner LANE. That is [indicating] net-ton miles?

Mr. BUNN. Business has increased nearly three times.

Mr. HORN. Here is something I would like to call your attention to—the fiscal years of 1903 and 1904; there was that slump in business, and then up it went again.

Commissioner LANE. Now, your freight cars, according to this statement, appear to have increased.

Mr. HORN. That line [indicating] shows the car numbers and that line shows the capacity.

Commissioner LANE. Capacity from 7 to 11½?

Mr. HORN. Yes, sir.

Commissioner LANE. That is a little less than 100 per cent?

Mr. HORN. That is 65 per cent.

Commissioner LANE. Now, in comparative per cent, what is the capacity—what has your business increased?

Mr. HORN. Business has increased 119 per cent in five years.

Commissioner LANE. Business has increased 119 per cent in five years, so that proportionately you have less capacity for cars than your business has increased?

Mr. HORN. Yes, sir.

Commissioner HARLAN. Mr. Horn, in addition to lack of facilities, there is also a lack of car equipment?

Mr. HORN. You see that if we had the facilities, we would get a good deal more effective use out of the equipment.

Commissioner HARLAN. Of course, I see.

Mr. HORN. We are not very proud of these 6,000 cars among our railroad friends, so I do not like to dwell on that very much.

Commissioner HARLAN. For the merchandise trade are you using heavier cars?

Mr. HORN. Our box—our box cars are all 80,000 capacity.

Commissioner HARLAN. Why do you buy cars of large capacity?

Mr. HORN. We can handle the business a good deal better.

Commissioner HARLAN. Why?

Mr. HORN. The load is concentrated into shorter space.

Commissioner HARLAN. How does that affect the gross tons?

Mr. HORN. It makes a reduction in the resistance on the engine.

Commissioner HARLAN. Would it be good railroading to-day for any railroad to go back to smaller cars?

Mr. HORN. It would not for us.

Commissioner LANE. We will take an adjournment at 1 o'clock until half past 1 o'clock.

Mr. MARBLE. You have testified of the car movement on this Minneapolis division; between what points is that?

Mr. HORN. I am speaking always of the line between Staples and Fargo.

Mr. MARBLE. Now, we have had, as I remember, no complaint of failures in your local service on that division; am I correct in saying that you have given very good local service on that division for this year?

Mr. HORN. We have done as well as we can.

Mr. MARBLE. Have the elevators been blocked on that division?

Mr. HORN. There is not much grain loaded there; they have not been blocked; those that have been there have been taken care of. I think I explained to you on the Minnesota and St. Paul division we had enough unloading points to make these cars for grain.

Mr. MARBLE. And you have gotten the cars up there to those points, the cars to be unloaded have been delivered, and when loaded have been hauled away with fair dispatch?

Mr. HORN. As far as I know.

Mr. MARBLE. And as far as any have been reported to you?

Mr. HORN. Yes, sir.

Mr. MARBLE. And so far as this hearing has shown, our complaints are not in that division?

Mr. HORN. That division carried more through traffic.

Mr. MARBLE. And more tonnage?

Mr. HORN. Yes, sir.

Mr. MARBLE. How do you explain that you gave better service to the local trade on a division where you handled so much more tonnage than you were able to give up in North Dakota, where you handled less tonnage?

Mr. HORN. The local demand amounts to very little. It is an easy thing to give good service on a railroad where there is not very much to give, and it is very hard to give it where it is hard to move it.

Mr. MARBLE. You say that there is more local demand on the North Dakota divisions?

Mr. HORN. Yes, sir.

Mr. MARBLE. And that would be the explanation of why you broke down up there or were embarrassed?

Mr. HORN. I do not mean that there is more demand to handle that local service in the fall than there is between the points that you named, but the back movement always affected the stuff that was originating in this Dakota territory. There was not much business in the territory that you name that could be affected by this back-up from the head of the Lakes.

Mr. MARBLE. Now, I have here the sheets—the statement of the wheat received this month—and there was more from Minnesota points than from North Dakota points to this market, and the grain originating in the Minnesota points has come to this market with dispatch, while the grain coming to this market from the North Dakota territory, some of it has come with dispatch and some of it has been slow. What I want to get at is why on this very busy system have you been able to accommodate what local trade there was nearer the back-up from Duluth, while back on the divisions which were not so busy your local trade has had to suffer more?

Mr. HORN. You start a local out of Staples, and the business offered in this territory from Staples to Fargo is very light. Day after day that local would go through and probably pick up everything that was offered. The offerings were heavy in North Dakota. The local would start out of its original starting point and get all it could handle before it got into a terminal, and then the rest would have to wait.

Mr. MARBLE. It is a case, then, of a local being loaded up before it got to the terminal, instead of being handicapped because of the greater tonnage?

Mr. HORN. No, not entirely; because there were times it would not make any difference how the facilities in the freight brought in from North Dakota were we could not get it into Duluth.

Mr. MARBLE. You were blocked by the Duluth situation?

Mr. HORN. Yes, sir.

Mr. MARBLE. You stated that your car mileage this last year was not so good as hitherto?

Mr. HORN. Car miles per day were not so good.

Mr. MARBLE. But that your loaded-car mileage was better?

Mr. HORN. Yes, sir; that was the short-haul stuff increased.

Mr. MARBLE. That would show, then, that the loss from deficiency of transportation facilities has fallen upon the shippers rather than upon the railroads?

Mr. HORN. Not at all. I think I explained, or tried to, that we went over that thing—our various officers, over and over again—and tried to avoid some of this west-bound haul out of the head of the Lakes. We held a good many conferences among our officers, and we said, "We will take this out, and we will leave an empty behind," and it seemed as though that would work quite as much hardship upon the public as failure to move it.

Mr. MARBLE. I am getting at the nature of the result at the end of the year. You will have had more loaded car miles; therefore your income will be greater, and you will have had a successful year?

Mr. HORN. Yes, sir. We will also have a very expensive year in operation.

Mr. MARBLE. Because of such emergency measures as this rush of coal over the country?

Mr. HORN. That has something to do with it; and the item of car balance of one hundred thousand dollars a month adds to that expense.

Mr. MARBLE. You make money by that?

Mr. HORN. Make money—yes.

Mr. MARBLE. How much does a car earn?

Mr. HORN. I can not tell you.

Mr. MARBLE. Mr. Midgley says they are worth from eight to ten dollars a day in a very busy time. Is that right?

Mr. HORN. That may be the average.

Mr. MARBLE. You are paying 25 cents a day?

Mr. HORN. It is the money, but I say relatively our operating expense increased.

Mr. MARBLE. The more you could increase that operating expense, the more profit you would make. Ordinarily you get in freight money several times what you pay in per diem?

Mr. HORN. Ordinarily we get several times over for that.

Mr. MARBLE. It is hardly fair to quote that?

Mr. HORN. That is all right.

Mr. MARBLE. Have you increased the wages of machinists or railroad employees at all?

Mr. HORN. We have increased them all.

Mr. MARBLE. Are you hampered for lack of labor of that sort?

Mr. HORN. Not now.

Mr. MARBLE. Have you been during this crop year?

Mr. HORN. We were prior to September 1. I do not think we have been very much short during September, as far as I know.

Mr. MARBLE. As far as you know you have not been hampered very much during September?

Mr. HORN. We are all right now.

Mr. MARBLE. Has your road taken any independent action in raising wages in order to get labor to relieve this situation, as an emergency?

Mr. HORN. We have had scouts out looking for labor.

Mr. MARBLE. Have you taken any independent action, independent of the other roads, in raising wages?

Mr. HORN. Oh, yes, sir.

Mr. MARBLE. On what class of labor?

Mr. HORN. We raised our firemen. We did so the 1st of September. There was no firemen's movement on at that time.

Mr. MARBLE. The other roads did not join in that?

Mr. HORN. I do not know about that.

Mr. MARBLE. It was not done by common agreement?

Mr. HORN. No, sir.

Mr. MARBLE. Was that done to help this wheat movement?

Mr. HORN. It was done to help all our business.

Mr. MARBLE. When did you reduce the tonnage of the fast freight train No. 53, if you did reduce it?

Mr. HORN. If I am correctly informed, I would say it was—that is, the present rate was October 1, 1906, when we began running. You mean our transcontinental time freight, the one we run now?

Mr. MARBLE. Yes.

Mr. HORN. I would say about October 1, 1906.

Mr. MARBLE. You reduced the tonnage then?

Mr. HORN. That was simply a net reduction in the freight tonnage.

Mr. MARBLE. Did it reduce the tonnage on the engine, or not?

Mr. HORN. Yes; I presume so. We wished to preference that class of freight. Our service on those particular items had grown so that we had enough stuff to make a fair amount of tonnage to go through to the sound, and we felt that we could afford to expedite that train a little better than we were doing, with the growing business, which imposed additional burdens. Now, we used to make the time on that train with the tonnage, but we have a good many trains to meet now.

Mr. MARBLE. Why did you reduce the tonnage if they were making the time?

Mr. HORN. We had not been. We formerly did, until this business began to block us too much.

Mr. MARBLE. You reduced the tonnage so as to make the time? A lighter train did not need so much headway. That is true, is it not?

Mr. HORN. Yes, sir.

Mr. MARBLE. It could make its stations?

Mr. HORN. Yes, sir.

Mr. MARBLE. How many cars a day of twenty-four hours' run do you consider fair work for the track between Jamestown and Fargo? You have spoken of the capacity of a single track. I want to know how many trains a day you consider the fair capacity of that track.

Mr. HORN. If we can handle ten freights a day each way we will be very well pleased.

Mr. MARBLE. That will be twenty freights, and how many passengers?

Mr. HORN. We have four a day there.

Mr. MARBLE. That makes 28 trains. Are there any other trains you put in to make that a fair maximum capacity in fair weather on that division?

Mr. HORN. I do not understand that question.

Mr. MARBLE. I want to get at the fair maximum capacity of that division—a single-track division—how many trains a day do you expect, when you are doing good work, to put over that division?

Mr. HORN. About 10 a day, each way.

Mr. MARBLE. Ten freights?

Mr. HORN. Yes.

Mr MARBLE About four passengers?

Mr. HORN. Yes, sir.

Mr. MARBLE. And any other trains now?

Mr HORN. That ten includes about what we think we can move.

Mr. MARBLE. You think about 28 for 24 hours is fair work for a single-track division?

Mr. HORN. Yes, sir.

Mr. MARBLE. Is there anything extraordinary about that division that reduces the number?

Mr. HORN. About 40 per cent mileage is helper mileage, and it is hard to get your helpers around.

Mr. MARBLE. Now, in other single-track divisions where the element of grades does not enter in—just good normal grade?

Mr. HORN. In the districts between Livingston and Glendive, there are no helpers in.

Mr. MARBLE. How many trains do you consider fair for the single-track division there?

Mr. HORN. We can expect to put in practically 20 trains a day each way over any one of the other districts.

Mr. MARBLE. How many passengers?

Mr. HORN. Four or five.

Mr. MARBLE. Each way?

Mr. HORN. Each way.

Mr. MARBLE. In all about fifty trains?

Mr. HORN. Yes, sir.

Mr. MARBLE. And you would expect to get them over the road—twenty-five trains each way—without having to delay at passing points?

Mr. HORN. No.

Mr. MARBLE. Fair maximum work?

Mr. HORN. With that kind of movement they will probably be a third of their time between terminals, maybe more—they would be standing on passing tracks.

Mr. MARBLE. How many would you put on there to have the traffic moved?

Mr. HORN. Why, all that is necessary. That piece of railroad has got a good deal more capacity than business; that is, they can handle more than either side can bring to it.

Mr. MARBLE. We are not discussing that at all. I am trying to find out what a single-track capacity is?

Mr. HORN. I do not think the number of trains is a fair way to measure it at all. You could run maybe fifty light engines over a division each way, and not have any trouble at all.

Mr. MARBLE. What do you mean then by saying that to reduce the tonnage would increase the number of trains, and that any increase in the number of trains would cause delays?

Mr. HORN. Because, if you have got a volume of business to handle, the bigger units that we can make a fair time in, the more you can handle over any district. I know that from actual experience.

Mr. MARBLE. We have been told here that—you have told us that you decreased the tonnage of this freight that you wished to favor, so it would go over the road.

Mr. HORN. Yes, sir.

Mr. MARBLE. We have asked you why you did not decrease the tonnage of your slow trains, so that they could get over the road, and you said that additional trains would cause delays.

Mr. HORN. Yes, sir.

Mr. MARBLE. Now, when I ask you how many trains can be put over a single-track division, you say that is not a fair way to measure the capacity of a division?

Mr. HORN. I say that a fair way to measure the capacity of a division is how much freight you can put over. Now, if you are going to run it say in ten-car trains, as you do a passenger perhaps, you

would be having a pretty busy time getting through a hundred cars at that speed. That would not take care of a single district on the Northern Pacific.

Mr. MARBLE. Would your freight trains and your freight be expedited in delivering if you should take at least 100 tons off of your trains?

M. HORN. I think the condition would be worse.

Mr. MARBLE. Why?

Mr. HORN. Because we try to move as big a unit as we can get over the road.

Mr. MARBLE. What would be the evil if you did not try to move the biggest unit?

Mr. HORN. The public would lose just that much more business than they are now by our failure to move it.

Mr. MARBLE. You would not move any more trains?

Mr. HORN. We would not move as many trains; we would not move as many tons.

Mr. MARBLE. If you reduce your very heavily loaded trains, say 100 tons each, would the trains go faster?

Mr. HORN. I do not believe it would make a particle of difference.

Mr. MARBLE. Then why did you reduce the tonnage on your oriental train?

Mr. HORN. We quit putting the rider in because it saved time in switching, and we could run the train not much faster, but we had nothing to do with it—we had enough freight through to the coast or Spokane without any change.

Mr. MARBLE. That is the reason?

Mr. HORN. Yes, sir; we hoped to put that train through our terminals in pretty fair shape, and we loaded other freight out of it. If we tried to move many trains at that speed we are not going to begin to do anything like the business we are now doing.

Mr. MARBLE. You testified a moment ago that that train made its meeting points better.

Mr. HORN. Against passenger trains; yes, sir.

Mr. MARBLE. Wouldn't that be true if the trains were a little lighter?

Mr. HORN. No; too many to meet. Mr. Slade explained to you that that was the theoretical reason.

Mr. MARBLE. Never mind the theoretical reason for a moment. Let's get down to railroading.

Mr. HORN. I am trying to find out about the practical matters myself. Ten years ago I was in charge of the work of cutting down the grades to where they are now. They were handling 700 tons, as a rule. We began handling 1,400-ton trains, as soon as these grade revisions were made. The chief dispatcher told me that as soon as we began running the 1,400-ton trains the trainmen that had been making 2,500 miles a month on that district run it up to 3,500. I think that shows that the average train carries more than it had been with the shorter trains.

Mr. MARBLE. What percentage of that was overtime?

Mr. HORN. When, before or after?

Mr. MARBLE. After.

Mr. HORN. That is miles, mind you; no overtime.

Mr. MARBLE. You had counted meeting at sidetracks?

Mr. HORN. Oh, yes; this is miles that the man made. I say it is not included, all the time the man made on the road.

Mr. MARBLE. Now, then, to expedite this, what do you say is the number of trains which should pass over a single-track division, on normal grades, in twenty-four hours? How many can you operate so as not to lose time at meeting points?

Mr. HORN. It depends entirely upon the district.

Mr. MARBLE. I said normal grades—where you do not have heavy grades. I asked you to give a typical one.

Mr. HORN. You can not move a train without having some delay.

Mr. MARBLE. You can meet a train without having three hours' delay, can you not, such as your train sheets are showing—good operation, expeditious movement? I want to get a sort of standard to judge these.

Mr. HORN. I would say on these short districts—I explained between Livingston and Glendive—we ought to move twenty to thirty over in each direction.

Mr. MARBLE. How many passenger trains, without interfering with that movement?

Mr. HORN. Four or five and the overtime, or the time standing on the siding—any overtime ought to be 30 to 40 per cent on the terminals. We would then be getting up pretty close to the old limit.

Mr. MARBLE. So that would be 50 to 60 freight, and perhaps 10 passenger trains?

Mr. HORN. Sixty or seventy.

Mr. MARBLE. Sixty or seventy. That would be the limit. These divisions, then, that are handling only 26 trains are not overworked as to the number of trains?

Mr. HORN. No, sir.

Mr. MARBLE. That is all.

(The witness was excused.)

EDMUND PENNINGTON, called as a witness, and being duly sworn, was examined and testified as follows:

Mr. MARBLE. Mr. Pennington, you reside in Minneapolis?

Mr. PENNINGTON. Yes, sir.

Mr. MARBLE. And you are the vice-president and general manager of the Soo road?

Mr. PENNINGTON. I am.

Mr. MARBLE. Give us the full name of that road?

Mr. PENNINGTON. Minneapolis, St. Paul and Sault Ste. Marie.

Mr. MARBLE. How many engines have you?

Mr. PENNINGTON. Two hundred and two.

Mr. MARBLE. What proportion of those are in the repair shop?

Mr. PENNINGTON. From 7 to 10 per cent.

Mr. MARBLE. Do you consider that that is extraordinarily low?

Mr. PENNINGTON. No; that is about the way they run.

Mr. MARBLE. Mr. Horn, what percentage of your engines are in the repair shops?

Mr. HORN. The practical service runs 18 or 19 per cent.

Mr. MARBLE. I want them to cover exactly the same figures.

Mr. HORN. I would say we have about 65 or 70 engines in the shop out of the 1,060.

Mr. MARBLE. And what is this 18 per cent?

Mr. HORN. This is the engines that are not exactly available for service at this moment.

Mr. MARBLE. What percentages of your engines are not available?

Mr. PENNINGTON. About 10 per cent.

Mr. MARBLE. Are your engines that are in use in efficient condition?

Mr. PENNINGTON. Yes, sir.

Mr. MARBLE. You do not consider that they need go to the repair shop?

Mr. PENNINGTON. No; not at present, no.

Mr. MARBLE. About how many cars have you?

Mr. PENNINGTON. Eleven thousand seven hundred.

Mr. MARBLE. About how many are off of your line?

Mr. PENNINGTON. At the present time I should say about 4,552. I have not looked it up the last day or two.

Mr. MARBLE. About how many foreign cars did you have?

Mr. PENNINGTON. Two thousand nine hundred and seventy-six.

Mr. MARBLE. You are unfortunate, are you not?

Mr. PENNINGTON. We are, most of the time.

Mr. MARBLE. This is a copy of your car-balance sheet?

Mr. PENNINGTON. It was prepared by our car accountant's office.

Mr. MARBLE. And you say it is correct, according to your records?

Mr. PENNINGTON. It is.

(The above was marked "Exhibit No. 1—Pennington," and is filed herewith.)

Mr. MARBLE. Have you not been able to keep the elevators on your line clear of wheat during the crop season?

Mr. PENNINGTON. They take it in faster than we can move it.

Mr. MARBLE. They take it in faster than you can move it? Where is the point that you fail in moving in the outlying districts?

Mr. PENNINGTON. We are unable to move it, because our connections are unable to take it off our hands and take it to its destination—to the local elevators, the greater part of which are on the Northern Pacific road.

Mr. MARBLE. You consider you have had cars enough?

Mr. PENNINGTON. Yes.

Mr. MARBLE. You have enough cars?

Mr. PENNINGTON. We would if we had power enough to move them.

Mr. MARBLE. You have cars enough if you had power enough?

Mr. PENNINGTON. Yes, sir.

Mr. MARBLE. You are short of power are you?

Mr. PENNINGTON. We are short of power at certain seasons of the year.

Mr. MARBLE. Have you been short of power during this last crop year?

Mr. PENNINGTON. Yes, sir.

Mr. MARBLE. And previous to the cold weather?

Mr. PENNINGTON. We are short of power every year, the same as every other railroad is, for about three months in the year.

Mr. MARBLE. Have you been increasing your power supply from year to year?

Mr. PENNINGTON. Yes, sir.

Mr. MARBLE. Endeavoring to have enough at the busy season?

Mr. PENNINGTON. Yes, sir.

Mr. MARBLE. Have you felt that the freight was there and even if it waited you would get it in the succeeding months?

Mr. PENNINGTON. No, sir.

Mr. MARBLE. Do not most railroad men consider that freight on their lines belongs to them, and that they will move it when they get to it, and that it is impracticable to move it in the busy season?

Mr. PENNINGTON. Our line is very competitive, and if we did not move the freight we would lose it; it would go to the other road.

Mr. MARBLE. Being in competitive territory makes a difference in policy?

Mr. PENNINGTON. Yes, sir.

Mr. MARBLE. In noncompetitive territory the policy might be different?

Mr. PENNINGTON. It might.

Mr. MARBLE. What would be the difference in policy?

Mr. PENNINGTON. Very likely I would take care of competitive territory first.

Mr. MARBLE. And would railroad men generally? I observe you use the personal pronoun.

Mr. PENNINGTON. I should think so; it is a business proposition.

Commissioner LANE. Do you, as a railroad man, think they keep their equipment up to the highest demand during every month of the year?

Mr. PENNINGTON. We keep it in good repair all the while.

Mr. MARBLE. That is not my question. Suppose during the month of October, as these tables show here, is the highest demand for tonnage during the entire year—do you claim to keep a sufficient number of locomotives and have a supply of cars on hand to supply the demand during the month of October?

Mr. PENNINGTON. No, sir.

Commissioner LANE. Or do you aim to meet the average requirement during the year?

Mr. PENNINGTON. We have got the power and cars enough.

Commissioner LANE. No doubt the terminals are pretty busy?

Mr. PENNINGTON. It would not be policy nor prudent to keep cars enough to move all the grain that is raised as quick as they want to move it.

Commissioner LANE. As quick as they want to move it?

Mr. PENNINGTON. No, sir; I do not think a single-track railroad could move it if they had all the power and all the cars that they wanted, for this reason: Taking our own lines—we have from three thousand to four thousand cars that we will accumulate in the wheat districts, and they will go to thrashing about the same time. The elevators will take in grain, the farmers will load it; they will work nights, they will work Sundays. We will move it as fast as possible. There is a certain number of cars coming in. Now, these cars—the side tracks were all full of empties. The cars are allotted, one here and there, and they have got to be switched out, which takes time. The trains can not move near as fast on the start as they can after they have got the accumulation of cars out. By the time this accumulation of cars gets out the terminals are full. Then we commence to set out cars. We can not take them in, because the terminals can not take care of them. In my experience, this year is the only year that the Minneapolis terminal has not been blocked. We

have had to set out every Saturday or Sunday. We could not get a carload in, because the terminal was full.

The chamber of commerce works about five or six hours a day. They do not work on holidays nor on Sundays. The railroads work twenty-four hours a day and Sundays and holidays, and so we have to lay still and let this accumulation back up. I have often seen it back up 100 miles. It has been expensive business for us to have to run our engines in to take these out, then run light engines out to get this in. Now, the grain is handled in about this manner: It comes in here and is inspected along about 8 or 9 o'clock—possibly 10—and then samples are taken on the board. At 4 o'clock in the afternoon, if this has been sold, we receive disposition, and you are given a list of cars to be sent to the different elevators. Many of them will call for reinspection. They have to be set out, for different reasons, if they want to hold the—could not sell that grain to-day. They want to hold it over, so they have different reasons. Then we have got to set that out. There is the great trouble. I have taken as high as a hundred cars and made an average of it. We bring in a hundred cars of wheat into Minneapolis, and get them out, say, in ten days, doing the very best we can.

Commissioner LANE. That is from the time you brought in the wheat to the inspection?

Mr. PENNINGTON. Brought it in here to the inspection here. By the time we could get the empties out again it would be ten days. We were perfectly helpless.

Commissioner LANE. Whose fault was that?

Mr. PENNINGTON. The paraphernalia which this wheat has got to go through, switched over the different tracks, to get it into the different elevators, all around.

A man will put up a card to the effect that he is a broker, a commission man. He has nothing but a 4-foot office, and he has these farmers, in the different fields, to ship the grain to him, and then if he can not sell it, he will put every possible obstruction on the handling of it, sparring for time—sparring so that he may get a better market to-morrow. In the aggregate it amounts to a great deal.

Commissioner LANE. Is there a demurrage charge?

Mr. PENNINGTON. There is a demurrage charge after forty-eight hours.

Commissioner LANE. It is without the power of the railroad to stop this condition of things if it wishes?

Mr. PENNINGTON. I do not know how.

Commissioner LANE. Why not? Can they not raise their demurrage so that it would be a very expensive practice for them to keep cars in use as warehouses?

Mr. PENNINGTON. I do not think that would be practicable.

Commissioner LANE. Why not?

Mr. PENNINGTON. We have never been very successful in getting it accomplished.

Commissioner LANE. Have you ever tried to do it?

Mr. PENNINGTON. We have got a demurrage of $1 a day after forty-eight hours.

Commissioner LANE. Why should a man lose in North Dakota, because you people do not choose to put on a higher price on demurrage

and to allow the consignee down at this end to hold the car, instead of unloading it?

Mr. PENNINGTON. Suppose he pays a demurrage, can not he hold the car?

Mr. MARBLE. The higher the demurrage, the less likely he is to hold the car?

Mr. PENNINGTON. I should think so.

Mr. MARBLE. Would you say that shippers and receivers, generally, are partly responsible for the failure of freight cars to move—is that the meaning of what you are saying now?

Mr. PENNINGTON. It is the fault of the manner in which the grain is handled and the switching of the lines in the terminals. For instance, I have got a railroad, and the most of the elevators are not on my line. The cars are switched into these elevators as fast as possible. We can get only about so much out of them. I think the greater portion of the elevators are on the Great Northern road. I think the largest elevators in this State are on the Great Northern, and consequently it congests the business.

Mr. MARBLE. Is that an elevator failure, an elevator congestion, or a switching congestion?

Mr. PENNINGTON. Switching. The elevators will handle it if they can get it to them. I think all the elevators there, loading or unloading, can handle it as fast as the roads can give it to them.

Mr. MARBLE. About the interposing of fictitious reasons for holding the grain in the car, and not switching it to the elevator, do you think that could be stopped by increasing the demurrage charge?

Mr. PENNINGTON. I do not think it could.

Mr. MARBLE. You think they would do it, no matter how much is charged for demurrage?

Mr. PENNINGTON. They would detain the car for twenty-four hours. They could afford to pay whatever would be a reasonable demurrage.

Mr. MARBLE. Would they not release the car oftener with a $2 charge than with $1?

Mr. PENNINGTON. That is possible.

Mr. MARBLE. Have you any remedy to offer for that?

Mr. PENNINGTON. No; none at all.

Mr. MARBLE. None at all?

Mr. PENNINGTON. No.

Mr. MARBLE. Grain that comes in from line elevators destined to terminals here—you have said it is destined without waiting for it to be sold?

Mr. PENNINGTON. No, sir. The majority of it is sold. We have two terminal elevators. One holds about—I say on our line—one holds about 700,000 bushels and the other about 300,000 bushels. Now, they are intended to be for storage. They use them very little. The majority of their grain they sell. It goes to the mills and different elevators.

Mr. MARBLE. And has to go through this procedure of switching?

Mr. PENNINGTON. Yes, sir.

Mr. MARBLE. I should think it would be desirable to reduce the delay, and I presume you are working on it?

Mr. PENNINGTON. We would like to have them put it right into their elevators, and give us the cars right back.

Mr. MARBLE. And are you attempting to enforce penalties so as to get cars moved?

Mr. PENNINGTON. They sell their grain, and it is distributed. They do not want to store it.

Mr. MARBLE. Have you had loss of use of the freight cars in loading?

Mr. PENNINGTON. In loading?

Mr. MARBLE. At the loading end of the line?

Mr. PENNINGTON. Yes, sir.

Mr. MARBLE. Have there been instances, on your line, of loaded cars standing without being moved?

Mr. PENNINGTON. Many of them.

Mr. MARBLE. For how long have you had any stand after loading?

Mr. PENNINGTON. I presume we have had cars standing for thirty days.

Mr. MARBLE. Why is that?

Mr. PENNINGTON. We could not get our connections to take them out of the way.

Mr. MARBLE. What are your connections that make this trouble?

Mr. PENNINGTON. The Northern Pacific and Great Northern.

Mr. MARBLE. Into Duluth and Superior?

Mr. PENNINGTON. Into Duluth and Superior.

Mr. MARBLE. Have you had prompt service of release of cars on that portion of your business this year?

Mr. PENNINGTON. From them?

Mr. MARBLE. Yes.

Mr. PENNINGTON. No, sir.

Mr. MARBLE. Are you familiar with the conditions at Duluth and Superior?

Mr. PENNINGTON. Nothing only what I have heard.

Mr. MARBLE. Have you investigated them yourself?

Mr. PENNINGTON. No, sir.

Mr. MARBLE. You have a great deal of trouble, have you, in getting cars returned?

Mr. PENNINGTON. A great deal this year.

Mr. MARBLE. Has that reduced your equipment?

Mr. PENNINGTON. Very much.

Mr. MARBLE. You have not investigated, so you can not say just what caused the delay?

Mr. PENNINGTON. No, sir.

Mr. MARBLE. You are not very much concerned about it?

Mr. PENNINGTON. Very much.

Mr. MARBLE. Why didn't you investigate it?

Mr. PENNINGTON. We sent a man up there to find out what was the trouble and corresponded with the Northern Pacific and the Great Northern a great deal. They assured me they were doing everything, under the conditions, to return the cars. That is all that I could do.

Mr. MARBLE. You concluded that was true?

Mr. PENNINGTON. Yes; from the looks of things. That is the way it looked to me.

Mr. MARBLE. I do not suppose you would care to criticise operation of another railroad, anyway?

Mr. PENNINGTON. I should not; no, sir.

Mr. MARBLE. Even though you might have some just cause for it?

Mr. PENNINGTON. No, sir.

Mr. MARBLE. Have you done any new construction work this year?
Mr. PENNINGTON. We have laid 120 miles of new road.
Mr. MARBLE. Any terminal construction?
Mr. PENNINGTON. Some.
Mr. MARBLE. Or yards?
Mr. PENNINGTON. Yes, sir.
Mr. MARBLE. What is your total mileage?
Mr. PENNINGTON. Two thousand three hundred and twenty miles.
Mr. MARBLE. Have you been rebuilding any terminals and division point yards also?
Mr. PENNINGTON. Not this year—oh, yes, we did too. We added two.
Mr. MARBLE. Did you get your work done that you started to do?
Mr. PENNINGTON. No, not all of it.
Mr. MARBLE. Why did you fail?
Mr. PENNINGTON. We were short of labor.
Mr. MARBLE. The same trouble which was reported by the other managers?
Mr. PENNINGTON. Yes, sir.
Mr. MARBLE. Have you been short of skilled labor this year?
Mr. PENNINGTON. Some, yes.
Mr. MARBLE. What class?
Mr. PENNINGTON. Machinists and boiler makers.
Mr. MARBLE. Short of enginemen at all?
Mr. PENNINGTON. No, not short; but we have got some that are very inferior.
Mr. MARBLE. Have you any remedies to suggest for the failure of the cars to move—anything you can suggest that would stimulate the movement of freight?
Mr. PENNINGTON. Nothing, only to improve the outlet, where they go into.
Mr. MARBLE. At the terminals?
Mr. PENNINGTON. Yes.
Mr. MARBLE. Have you any remedy to suggest to prevent the diversion of cars?
Mr. PENNINGTON. I wish we knew how. I have been trying it for a long while.
Mr. MARBLE. Is your road one of the roads which joined in increasing the per diem rate?
Mr. PENNINGTON. Yes, sir.
Mr. MARBLE. You do not expect very much from that, do you?
Mr. PENNINGTON. I do not, such times as this.
Mr. MARBLE. The increase is only 25 cents a day?
Mr. PENNINGTON. They get 50 cents, and since the 1st of December they are trying to pass the rule making it $5 for a diversion. I think that is right, Mr. Horn?
Mr. HORN. Yes, sir.
Mr. MARBLE. Do you find the roads breaking the penalty on you?
Mr. PENNINGTON. Yes.
Mr. MARBLE. Do they do it by paper deliveries and fictitious deliveries to other roads?
Mr. PENNINGTON. I do not know that we have had any cases of that kind.

Mr. MARBLE. But do you get very much penalty money?

Mr. PENNINGTON. Our balance is on the wrong side this year.

Mr. MARBLE. Your cars that are off of your line—what is the penalty for diverting a car?

Mr. PENNINGTON. No notice is given.

Mr. MARBLE. Is it $1?

Mr. PENNINGTON. No; it is $5 now after the 1st of December. Fifty per cent per diem per car and no penalty—before we had 80 cents—isn't it, Mr. Horn, prior to December 1?

Mr. HORN. Eighty cents before and a dollar after ten days.

Mr. MARBLE. No penalty after notice to return the car?

Mr. HORN. No penalty at all—50 cents a day all the time.

Mr. MARBLE. Previous to December 1 had you collected any penalty money?

Mr. PENNINGTON. Oh, yes.

Mr. MARBLE. Much?

Mr. PENNINGTON. I do not know how much. We collect all we can catch.

Mr. MARBLE. You have given notice that you want your cars back?

Mr. PENNINGTON. Yes.

Mr. MARBLE. Is the penalty broken generally?

Mr. PENNINGTON. The penalty was broken?

Mr. MARBLE. Were there paper transfers?

Mr. PENNINGTON. I can not recall any particular cases. I have reports that roads were making the paper transfers. I do not know whether they do or not.

Mr. MARBLE. After you gave them notice did you get the cars?

Mr. PENNINGTON. No, sir. Our cars go down into New England a good deal. They hold them up down there—New England roads—and they promise to send them back and do not do it.

Mr. MARBLE. How many trains a day do you say you can operate on a single-track railroad with normal grades, where you do not require a helper or engine?

Mr. PENNINGTON. Well, there are a good many things you would have to take into consideration. You would have to know something about the conditions. In North Dakota weather—bad weather—it would be a pretty difficult thing to operate 8 or 10 trains.

Mr. MARBLE. That would not be a normal condition?

Mr. PENNINGTON. That is operating condition there. Take it east of us. We have 500 miles of road that runs to Sault Ste. Marie. It is in a timbered country, good water, and you would hardly know you had a railroad. You take the line west of Minneapolis, where there is eighteen hundred or two thousand miles of railroad, and it is a different proposition.

Mr. MARBLE. How many trains would you say east of you?

Mr. PENNINGTON. East of us?

Mr. MARBLE. Yes. Everything in good condition—the present condition the road is in?

Mr. PENNINGTON. It is not fixed for that. You would have to put in stations closer together and use the block system. We have some stations 20 miles apart. That would be too long between meeting points. If stations were closer together—4 or 5 miles, possibly 6—you could get fifteen to eighteen trains a day over it each way in twenty-four hours.

Commissioner HARLAN. How about this estimate we had of 20 to 30 freights each way and 5 passengers, making 60 or 70 trains over the division?

Mr. PENNINGTON. I consider that pretty high. I should say it was pretty high; yes.

Mr. MARBLE. Do you in making up trains sacrifice speed to tonnage?

Mr. PENNINGTON. We sacrifice—we reduce the tonnage of our engines when we have more business than we can move with our power.

Mr. MARBLE. You consider that by reducing the tonnage you actually move more tons?

Mr. PENNINGTON. Where business is brisk we reduce the train about 200 or 300 tons.

Mr. MARBLE. And in that way move more tons?

Mr. PENNINGTON. Yes.

Mr. MARBLE. Can you move more stuff?

Mr. PENNINGTON. Yes.

Mr. MARBLE. That is generally understood by railroad men, is it not?

Mr. PENNINGTON. I believe that is understood to be good practice.

Mr. MARBLE. That is all.

Mr. BRIGHT. If you had more locomotives, and cars enough to load all the wheat, and all the railroads in the wheat region had the same, as fast as people wanted to ship it, what do you say as to the result at the terminals in relation to Duluth and Minneapolis?

Mr. PENNINGTON. I think I told you what the result would be—that they would be full in thirty days.

Mr. BRIGHT. If you had terminal proportions to meet such an extraordinary handling of the crop, to what extent do you think those terminals would have to be increased to handle them all during the time that they would like to ship, beginning with the 1st of September?

Mr. PENNINGTON. Oh, I could not say.

Mr. BRIGHT. You could not guess at that?

Mr. PENNINGTON. I would not like to undertake to.

Mr. BRIGHT. We might have to double them.

Mr. PENNINGTON. The thing will remedy itself, of course.

Mr. BRIGHT. To meet the demand in the first of October, to ship all the wheat crop as fast as people wanted to ship it, you would not only have to duplicate your rolling stock, but you would have to duplicate your terminals also?

Mr. PENNINGTON. Yes, sir.

Mr. BUNN. Did I understand you to say that the Northern Pacific had allowed cars to stand at your delivery point thirty days without moving?

Mr. PENNINGTON. I did not say so.

Mr. BUNN. If I correctly understood you, you might have had loads on your road thirty days, because your connections were blocked, and it was no use to haul them to the connection—have your cars been kept by the Northern Pacific to any greater extent than three weeks—kept them when they got them?

Mr. PENNINGTON. This year the Northern Pacific kept the cars about as long again as ever heretofore.

Mr. BUNN. What have other companies done?

Mr. PENNINGTON. We have undertaken this year to keep our cars closer than heretofore.

Mr. BUNN. You say they get down into New England?

Mr. PENNINGTON. We lose them there.

Mr. BUNN. Did you say, Mr. Pennington, that the Northern Pacific is worse than anybody else?

Mr. PENNINGTON. No. This year the conditions are much worse than they have been heretofore.

Mr. BUNN. There has been no trouble at Minneapolis this year in handling grain, has there, Mr. Pennington—no congestion here?

Mr. PENNINGTON. Not any. There has been a great deal larger proportion of wheat coming to Duluth than previous years.

Mr. BRIGHT. The testimony here showed that the intake from the Soo into Minneapolis this year during three months was 3,000,000 bushels less than last year. Did the road haul less wheat on the whole to both points, Duluth and Minneapolis, than in 1905, or as much?

Mr. PENNINGTON. In the four months' crop we hauled 13.13 per cent more cars.

Mr. BRIGHT. And so that the number of cars sent to Duluth was very greatly increased as compared with last year.

Mr. PENNINGTON. Eighteen and seven-tenths per cent.

Mr. MARBLE. Then taking the two markets as one, you say you are not responsible for the shortage?

Mr. PENNINGTON. We handled more grain by 13 per cent than we handled any other year.

Commissioner LANE. We will now take a half hour's recess.

(Thereupon, at 1 o'clock p. m., the Commission adjourned.)

AFTER RECESS.

DECEMBER 19, 1906—1.30 p. m.

GEORGE S. LOFTUS, called as a witness and being duly sworn, was examined and testified as follows:

Mr. MARBLE. You reside in the city of St. Paul?

Mr. LOFTUS. Yes, sir.

Mr. MARBLE. And you are in the grain business?

Mr. LOFTUS. Yes, sir.

Mr. MARBLE. In the elevator business?

Mr. LOFTUS. Yes, sir.

Mr. MARBLE. Have you brought with you correspondence and documents showing delays in shipments of grain?

Mr. LOFTUS. I have.

Mr. MARBLE. May we have those?

Mr. LOFTUS. Yes, sir.

Mr. MARBLE. You have had trouble during this crop season in your business by reason of delays in transportation?

Mr. LOFTUS. Yes, sir; considerable.

Mr. MARBLE. More than in previous years?

Mr. LOFTUS. An unusual amount.

Mr. MARBLE. On what roads?

Mr. LOFTUS. Principally on the northern roads—Northern Pacific, Great Northern, and Soo.

Mr. MARBLE. Do you know why that was—why the delay was?

Mr. LOFTUS. There has been a great many explanations offered for the delays on those lines, but I believe it is due largely to their supposed economical methods of operation. I think the fact of the consolidation of the two northern roads had much to do with the delays we have experienced in the past three or four years. Competition no longer exists in the northern territory reached by the Northern Pacific and Great Northern such as we enjoyed four or five years ago. The Soo road has been opening up a great deal of new territory, and I do not believe they have equipped themselves with sufficient cars and locomotives with which to handle the increased business made necessary by the new territory they have opened up.

Mr. MARBLE. Now, if you will put this correspondence in—this is correspondence of the Royal Elevator Company?

Mr. LOFTUS. This correspondence relates to a car load of oats, purchased on October 27, and sold on the same date; shipment made on December 8 by the Royal Elevator Company from North Dakota, on the Great Northern road, coming to Deer River. I called up the Great Northern road this morning and asked for a record on the car, and they said according to their last report it was still in North Dakota.

(The above was marked "Exhibit No. 1—Loftus," for identification and afterwards with permission allowed to be retained by Mr. Loftus.)

Mr. MARBLE (referring to paper). "Rolla, N. Dak., November 2, load of oats for Deer River."

Mr. LOFTUS. At 10.30 this morning car had not been furnished for shipment.

(Paper referred to marked "Exhibit No. 2—Loftus" for identification, and by permission allowed to be retained by Mr. Loftus.)

Mr. MARBLE. And these papers?

Mr. LOFTUS. These papers relate to a car of oats ordered out of Campbell, Minn., on October 22, going to a point on the Great Northern, and up to the 16th of this month the car had not been furnished, and the elevator company wrote and asked if we still wanted the shipment. The oats are on hand, and they are unable to get a car.

Commissioner LANE. October 21?

Mr. LOFTUS. October 22.

(These papers were marked "Exhibit No. 3—Loftus" for identification, and, by permission, allowed to be retained by Mr. Loftus.)

Mr. LOFTUS. Here is a list of 16 cars that remained on the track at Duluth from November 12 to 23, for which this requisition was furnished on the 12th. The cars were not moved on the 22d, and on that date we filed complaint with the railroad and warehouse commission, who investigated before I came here and reported, and soon thereafter, in the course of two or three days, the cars were removed to their respective destinations.

(Papers referred to were marked "Exhibit No. 4—Loftus" for identification and made a part of this record.)

Going over our car book I picked out cars on different roads in the last two months. I did not pick out particularly on the Northern Pacific, Great Northern, and Soo to show that the delay is experienced by all roads, but, as previously stated, delay is greater on the northern roads than on the southern.

We received on December 1 car No. 67,342, containing corn from

Beresford, S. Dak., which was loaded and billed out on November 16, and we have the shipping bill.

Here is one on the Minneapolis and St. Louis, car shipped from Morton November 15, arrived November 20.

(Papers referred to hereby marked "Exhibit No. 7—Loftus" for identification and made a part of this record.)

In my judgment there is more delay to equipment in the terminal yards than there is in transit. I have a list of a number of cars that were delayed on the Chicago Great Western at South St. Paul. It takes anywhere from three days to ten days to set a car upon a track for unloading at South St. Paul after it arrives there. Here is a car that was ordered in South St. Paul for the Northern Pacific road on the 28th of November. The car was set for unloading on December 17. The Union Stock Yards correspondence there gives the record and date of delivery of the car to the Western road.

(Papers referred to marked "Exhibit No. 8—Loftus," for identification, and with permission, were allowed to be retained.)

I want to show that the delay rests with the Chicago Great Western, the delay I speak of in the St. Paul terminal.

There is correspondence from a party at Geary, Minn., giving dates and telling how many weeks and months cars have been delayed.

(Correspondence was marked "Exhibit No. 9—Loftus," for identification, and made a part of this record.)

Here is some correspondence from parties at Fulton, Minn.

(The same were marked "Exhibit No. 10," for identification, and made a part of this record.)

Here is correspondence passed between our office and the railroad commission relating to delays of different cars on different roads.

(This correspondence was marked "Exhibit No. 11—Loftus," for identification, and made part of this record.)

Here is a freight bill for a carload of hay, arrived in St. Paul on November 19. That was delivered three times to the Chicago, Burlington and Quincy Railroad for shipment, and each time returned to the Soo road on account of the car being in bad order. There was a fight between the inspectors of the two roads, as to the condition of the car and as to the responsibility of the line for the damage. The car was delivered the third time, and accepted by the Soo road and sent out on their line for shipment, and during the time it was switching back and forth between the two roads five or six days elapsed. The Soo line informed us—in fact the agent of the Soo line told us—that it was necessary to blow out the pipes, and there was a question as to whether it was to be the delivering line or the receiving line—whether it was the duty of the delivering or receiving line to blow out the pipe. I just mention that. I just call your attention to that to show how the delays occurred in the terminal yards.

I have prepared here two statements showing the numbers of about 25 cars. All of these were shipped about October 1—between October 1 and December 1—showing the delay there in transit or at destination in placing the cars upon the track where delivery could be effected, or at the industry for unloading, from one week to three weeks.

That applies to cars upon different roads. I give date of shipment, the car number, date of arrival, and date cars were spotted for unloading.

Mr. HAWLEY. Yes, sir.
Mr. MARBLE. Did you observe conditions generally?
Mr. HAWLEY. Yes, sir.
Mr. MARBLE. Did you talk with train men?
Mr. HAWLEY. Yes, sir.
Mr. MARBLE. Railroad employees?
Mr. HAWLEY. Yes, sir.
Mr. MARBLE. As far as you could, did you get the consensus of opinion of men operating the road?
Mr. HAWLEY. Not particularly men operating the road, but mostly the employees who were—possibly who might be termed as operating men.
Mr. MARBLE. The men running the trains?
Mr. HAWLEY. Yes, sir.
Mr. MARBLE. You started at Spokane. Tell us (with the aid of your notes)—did you, from that point to this, notice that there was shortage of cars on the Great Northern?
Mr. HAWLEY. No, sir.
Mr. MARBLE. Of empty cars?
Mr. HAWLEY. No, sir.
Mr. MARBLE. You think they have empty cars?
Mr. HAWLEY. They are short of empty cars?
Mr. MARBLE. Short of empties?
Mr. HAWLEY. There is a shortage of empty cars on the Great Northern.
Mr. MARBLE. Did you see a great many loaded cars?
Mr. HAWLEY. Yes, sir.
Mr. MARBLE. Were the loaded cars moving?
Mr. HAWLEY. Why, at the time I was looking at them they were not. They possibly might have been switched in the yard, but the movement appeared to be very slow on all of them.
Mr. MARBLE. Now, you have notes here of the yard at Hillyard, Wash.?
Mr. HAWLEY. Yes, sir.
Mr. MARBLE. Showing 167 loaded box cars, 5 empties, 1 stock car loaded, 10 empty, 2 coal cars loaded, 1 empty, 11 flat cars loaded, 8 empty, or a total of 205 cars in the yard?
Mr. HAWLEY. Those were all home cars and there were 160 foreign cars. I know of the yards at Spokane and the cars there. I was at Whitefish, Mont., but I did not count the cars at Whitefish.
I was also at Glasgow, Minot, N. Dak. and Larimore.
Mr. MARBLE. Can you tell us briefly the number of cars you saw at those points?
Mr. HAWLEY. At Hillyard, Wash., 205 company cars and 160 foreign cars, or a total of 365 cars in the yard.
There was a total of 41 empties, composed of 7 box, 10 stock, 16 coal, and 8 flat cars.
Mr. MARBLE. Did you at that point investigate the length of time they had been standing there?
Mr. HAWLEY. I could not ascertain the length of time they had been standing there, but a gentleman there, whom I believe had some authority—I asked him how the trains were moving, and he said they were moving very slowly. I asked him, "Why?" He said, "Because they had no motive power to move them."

Mr. MARBLE. That was a man in the employ of the railroad?

Mr. HAWLEY. Yes; sir.

Mr. MARBLE. At Glasgow, Mont., did you investigate delays to locomotives?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. And this is a memorandum of that [indicating]?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. Tell us what those delays were—some of them.

Commissioner LANE. I think that to commence, you should show first the days on which he was there, and then you failed to show that he was a railroad man.

Mr. MARBLE. You have worked at railroad work before, have you not?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. Been in the employ of the Commission how long?

Mr. HAWLEY. Six years, nearly.

Mr. MARBLE. And all that time you have been in the country observing conditions on the railroads?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. Through six years?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. You were not stationed in Washington?

Mr. HAWLEY. No, sir.

Mr. MARBLE. Traveling constantly?

Mr. HAWLEY. Yes, sir.

Commissioner HARLAN. How long have you been a railroad man?

Mr. HAWLEY. About sixteen years.

Mr. MARBLE. On what date did you start from Spokane?

Mr. HAWLEY. I was in the Hillyard yard at Spokane yard on December 6. I was in Glasgow yard on December 8. I was in the Minot yard on December 9. I was in the Grand Forks yard on December 10 and 15—both dates. I was in the Larimore yard on December 10; Devils Lake on December 13; Crookston on December 14.

Mr. MARBLE. Now, go to the delays to locomotives. How did you get this record of delayed locomotives?

Mr. HAWLEY. I went into the roundhouse and copied from the records hanging up in the roundhouse, hanging up there public to anybody going in and taking the trouble to look over it.

Mr. MARBLE. Is that record kept by the road to show delays to locomotives?

Mr. HAWLEY. It is a record hung up there and there were probably 35 or 40 of them hanging there all fastened together.

Mr. MARBLE. Those are railroad records?

Mr. HAWLEY. It is hung up there and shows the delays to the Great Northern locomotives—hung up there for their advice.

Mr. MARBLE. Is that kept by the railroad?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. Tell us what delays you found on those slips.

Mr. HAWLEY. I found on November 29 engine 1518 was eighty-two hours and twenty-five miuntes getting over the division. The delays were seventy-four hours and twenty-five minutes. These records don't show what caused these delays.

Engine 1529 was thirty-five hours getting over the division and twenty-one hours and sixteen minutes delayed.

Mr. MARBLE. On what date?

Mr. HAWLEY. The last one was on November 21.

On December 6, engine 1536, thirty-three hours and fifty-five minutes getting over the division; delay, eighteen hours and five minutes.

December 6, engine 1514, time getting over the division, twenty-seven hours and fifty minutes; delay, fifteen hours and thirty minutes.

December 5, engine 236, time twenty-seven hours and ten minutes; delay, sixteen hours and twenty-five minutes.

Engine 1516, December 3, time, twenty-one hours and twenty-five minutes; delay, nine hours.

November 28, engine 1524, time, twenty-three hours and forty-five minutes; delay, fifteen hours and forty-five minutes.

Mr. MARBLE. Did you examine all of the slips there?

Mr. HAWLEY. No, sir; I did not.

Mr. MARBLE. What proportion did you examine?

Mr. HAWLEY. I just took them out as I came to them, turned one after another. I picked out one here and one there.

Mr. MARBLE. Did you find all of the delayed engines?

Mr. HAWLEY. I do not suppose they were all there——

Mr. MARBLE (interrupting). You did not examine them all?

Mr. HAWLEY. No, sir.

Mr. MARBLE. Did you find stock cars waiting at Larimore, N, Dak.?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. How many?

Mr. HAWLEY. One hundred and seventy-four empty stock cars, sixty-five of which were double-deck stock cars.

Mr. MARBLE. And you found stock waiting for shipment near there?

Mr. HAWLEY. I can not say near there that stock was waiting. A gentleman told me at Glasgow, Mont., that he had been waiting since October 29, in order to get sixty cars of sheep shipped, and up to that time—on December 8—he had only received twenty-two stock cars in order that he might make the shipment. The gentleman informed me that at the hotel.

Mr. MARBLE. How far is Larimore from Glasgow?

Mr. HAWLEY. I could not say just how far it is. It is perhaps, I guess, 400 miles. Possibly it is a little more.

Mr. MARBLE. Stock cars 400 miles from the sheep?

Mr. HAWLEY. Yes, sir. I also found a delay on a train—what they term a delay. The train crew was called to leave at 4.30 on the afternoon of the 12th of December, and they did not leave until after 9 a. m. the 13th. The crew was on duty all of this time, and then started in a blinding snowstorm for Minot, 115 miles distant.

Mr. MARBLE. Do you know why that was?

Mr. HAWLEY. I could not ascertain. They were about to pull out of the yard as I got down, and I asked a gentleman where they were going and he told me they had been laying there since the afternoon, I believe. I also believe it would be nothing more than justice to say that when the train did pull out of the yard there was very nearly a blizzard blowing at Devils Lake.

Mr. MARBLE. That might have delayed the starting?

Mr. HAWLEY. It might have delayed it the night before. I did not get there until after 12 o'clock.

Mr. MARBLE. Does the fact that these trains were a long time in

transit mean that the same train crew were working the number of hours shown here?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. When you found a train eighty-two hours on the road, does that mean that the same train crew worked eighty-two hours at a stretch?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. And this other train where they were on thirty-five hours, that train crew worked thirty-five hours at a stretch?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. And so on down?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. They don't run shifts?

Mr. HAWLEY. No, sir; not between division points.

Mr. MARBLE. Did you talk with the men operating the trains as to the slowness of movement?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. Did you find them agreed that there was a slowness of movement?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. Did you find them complaining of the overtime that they were encountering?

Mr. HAWLEY. They complained that they were compelled to be on the road a great number of hours.

Mr. MARBLE. Was that general?

Mr. HAWLEY. General with all of those with whom I talked.

Mr. MARBLE. Did any of them give you their explanation of the slowness of movement?

Mr. HAWLEY. It seemed to be the general consensus of opinion of all those with whom I talked that the trains were loaded too heavy; they could not make speed enough whereby they could get over, and they were consequently delayed by meeting trains coming in the opposite direction.

Mr. MARBLE. Did you find any cars delayed at any place that you were in that were delayed and had stood there?

Mr. HAWLEY. Not at any place where I stopped. I learned of cars being delayed all the way along, especially at the sidings between Minot and Grand Forks.

Mr. MARBLE. How did you learn of those delays?

Mr. HAWLEY. I learned of it through talking with people at the hotel and my observation of the conditions at the side tracks as I passed along on the train.

Mr. MARBLE. That is, you say, cars standing on the side tracks?

Mr. HAWLEY. I saw cars standing on the side tracks; yes, sir. I believe, as I understood, that it was considered that there was congestion all along there on the district—cars which they were not able to move.

Mr. MARBLE. You made a specialty of getting the information from trainmen as to the causes of slowness of movement?

Mr. HAWLEY. All of those with whom I had an opportunity to talk.

Mr. MARBLE. How many did you talk with?

Mr. HAWLEY. I would not attempt to say.

Mr. MARBLE. About how many?

Mr. HAWLEY. Oh, I possibly talked with ten or twelve crews.

Mr. MARBLE. With ten or twelve crews?

Mr. HAWLEY. Yes, sir. Possibly there might have been one man I got hold of who might have been a conductor or a fireman, or I might have got hold of all three men of the crew and talked with them.

Mr. MARBLE. Did you find a difference of opinion among the men as to the cause of the slowness of movement?

Mr. HAWLEY. There did not seem to be any difference of opinion.

Mr. MARBLE. They all thought that if the trains were lighter they could go faster?

Mr. HAWLEY. That seemed to be the consensus of opinion.

Mr. MARBLE. Did you make an examination of the train sheets brought in here by various witnesses?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. And to what does this memorandum relate?

Mr. HAWLEY. This memorandum refers to districts over which Mr. Philbin is superintendent, I believe, and the trains between Superior and Cass Lake.

Mr. MARBLE. The trains between Superior and Cass Lake?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. Have you determined the running time of freight trains shown on those train sheets between Superior and Cass Lake?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. Give us some that you found.

Commissioner LANE. For what days?

Mr. MARBLE. What days did you examine?

Mr. HAWLEY. I endeavored to find a day where there was a large number of trains on the train sheet, aside from the ore trains. I did not attempt in any way to check ore trains, and as I came to a sheet that had a large number of trains aside from ore trains, then I took that sheet and checked up the time to show how long they were getting over the road. There is October 23, 15, 31, 29, 27, 22, November 29, 27, 20, 19, 16, and 6. Those were all through the month of November and the first ones in October. It was a pretty hard task. I did not attempt to go into the next month. I used October and November and the sheets were there for other months, and I did not attempt to go into them.

Mr. MARBLE. Did you pick for a sheet showing the slowest running time?

Mr. HAWLEY. I simply picked up the sheets which had the greatest number of trains on. Sometimes I got fooled on that, because the train would not go clear through—all the way over the division. You would have to look over the train sheet to find that out. I simply picked out the train sheets where I found a large number of trains on them.

Mr. MARBLE. Those perhaps showed a slow movement because of the large number of trains and meeting points?

Mr. HAWLEY. Yes, sir; possibly.

Mr. MARBLE. On those days what did you find the quickest time of any of those trains to be?

Mr. HAWLEY. I found, as between Cass Lake and Superior, on October 23, that the quickest time was fourteen hours and forty minutes. On October 15——

Mr. MARBLE. Just a minute. What was the slowest time on that day?

Mr. HAWLEY. The slowest time that they made that day was twenty-six hours. On October 15 the shortest time was eleven hours and fifty minutes, and the longest time was sixteen hours and fifteen minutes.

Mr. MARBLE. The distance is 164 miles?

Mr. HAWLEY. One hundred and sixty-four miles.

Mr. MARBLE. Without stopping to read all of those, what did you find on those days the speed made by those trains to be—the average—about how many miles an hour did those trains run?

Mr. HAWLEY. Some of those trains were turned on different days. On October 23 there were six trains which averaged a little over nineteen hours over the division, or about 8¾ miles per hour. Those are trains between Cass Lake and Superior.

Commissioner LANE. Is that about the time they had very bad weather up there?

Mr. HAWLEY. I do not know. That was October 23.

Commissioner LANE. October 23?

Mr. HAWLEY. Yes, sir.

Commissioner LANE. That was before the blizzard, was it not?

Mr. HAWLEY. Figuring the mileage made of the entire number of trains over the division, it would make eight trains which passed over on that day, averaging eighteen hours and forty-seven minutes over 145 miles, taking the average number of miles for the number of trains moved, which would have been eighteen hours and forty-seven minutes, over a 145-mile division.

Mr. MARBLE. Now, as to the other days, can you state the average for all of those?

Mr. HAWLEY. On October 15 there were seven trains, averaging fourteen hours and thirty-nine minutes in getting over 164 miles for that division.

There were 9 trains on that day, averaging 13 hours and 54 minutes, over a little over 150 miles—averaging that number of miles for the entire number of trains on the division, during that day, and they run along—I think, one day, if I remember rightly, in my figures, they got down a little less—down very close to 13 hours going over the division.

Mr. MARBLE. Some of them were much longer than that?

Mr. HAWLEY. Some of them were much longer than that.

Mr. MARBLE. But the average would be down to that?

Mr. HAWLEY. Yes.

Mr. MARBLE. Did you examine some delay reports from the Northern Pacific road?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. And what division were those sheets from?

Mr. HAWLEY. From the division points, Staples and Fargo. Those are the train-conductors' delay reports, showing the actual cause of the delays between the different stations from where they started to where they lay up their train.

Mr. MARBLE. In getting the reports of the delays of the trains, how many of those did you examine?

Mr. HAWLEY. I went through two or three months and I endeavored to examine every day, and, after I had been at it for a number of hours, I found the task was too long, and I simply picked out those at random for October and November, and it showed—I picked out the actual delay and figured it up.

Mr. MARBLE. Have you selected those showing the most or the least delays?

Mr. HAWLEY. I picked those at random. I would turn to a sheet and take one and follow it out.

Mr. MARBLE. Tell us what you found.

Mr. HAWLEY. I found, on October 1, a train from Staples to Fargo fifteen hours and twenty minutes getting over the division. Two hours and a half of that was in making up the train. Four hours and forty minutes of the above track obstructions. One hour and thirty minutes meeting trains. Winnipeg to Staples, 83 miles, seventeen hours and forty-five minutes getting over that distance; one hour and forty-five minutes making up train; four hours and forty minutes waiting for orders—the total delay in that day was ten hours.

I picked out several of those days in there and amongst them was one, Fargo to Staples, 108 miles, twenty-five hours and five minutes in getting over the division; meeting trains, six hours and fifteen minutes; waiting for bills, one hour and twenty minutes; waiting for orders, three hours and twenty minutes; waiting for helper, one hour and ten minutes; waiting for road engine, two hours and five minutes; miscellaneous, four hours and thirty minutes. Those are telegraphic reports which I picked out that was on account of their being blocked by trains and inability to do any work at the station, which caused them considerable delay.

Mr. MARBLE. And those are of the same general character, about all of them?

Mr. HAWLEY. This twenty-five hour and five minute train, the conductor has noted on the book, two hours and twenty minutes on account of engine not being able to handle the train; two hours and fifty minutes by engine running for water and waiting for steam after coming back; thirty minutes reducing train; three hours and twenty minutes for orders; called for orders at 8.45 a. m.; received same, 11.15, and got running orders, 12.20 p. m.—nearly four hours waiting for those orders. Here is one: Fargo to Staples, 108 miles, seven hours and twenty-five minutes; total delays, three hours and twenty-five minutes.

Mr. MARBLE. The train actually ran about 25 miles an hour?

Mr. HAWLEY. Here is one on November 3, eight hours and thirty minutes; total delays, four hours and thirty-five minutes. Here is one on November 22, ten hours and fifty-five minutes; total delays, six hours and five minutes.

Mr. MARBLE. Going how many miles?

Mr. HAWLEY. One hundred and eight.

Mr. MARBLE. So that train was going about 25 miles an hour, when it traveled?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. This last testimony you give is taken from the documents furnished by the railroad witnesses that have been called here and you have taken the sheets furnished by them and examined them?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. That is all.

Mr. BUNN. Mr. Hawley, did you observe the double track under construction?

Mr. HAWLEY. I was not on the Northern Pacific at all. I simply took those records—have checked those records; that is all. I have not been over the Northern Pacific.

Mr. BUNN. Where did you get the records?

Mr. HAWLEY. They were brought in here by your train dispatcher.

Mr. BUNN. Oh, I thought you went over the road.

Mr. HAWLEY. No.

Mr. BUNN. That is all.

Mr. MARBLE. The testimony was simply taken from the train sheets?

Mr. HAWLEY. Yes, sir.

Mr. MARBLE. That is all.

Mr. BEGG. At the time you were in Spokane, did you learn of these serious washouts at the west end?

Mr. HAWLEY. I have not been out there for nearly three weeks—about that.

Mr. BEGG. Naturally the traffic was congested at Spokane?

Mr. HAWLEY. Yes, sir.

Mr. BEGG. And at all stations?

Mr. HAWLEY. Yes, sir.

Mr. BEGG. That might well account for the number of cars you saw in Spokane yard, might it not?

Mr. HAWLEY. Oh, yes; I do not question that.

Mr. BEGG. At the various places you stopped that was what you you understood—you spent a day or less than a day at each place?

Mr. HAWLEY. Yes, sir.

Mr. BEGG. You do not know just how long any car had been on the sidetrack?

Mr. HAWLEY. I simply have hearsay to me.

Mr. BEGG. You simply saw that some cars were on the sidetrack at the time you passed?

Mr. HAWLEY. The cars were there in the yards. I made an account of them. The only actual delay which I know of, or at least which I was told was positive of cars laying on the track, was some cars out at Niagara, N. Dak., and that information came to me from two or three traveling men, of cars laying there.

Mr. BEGG. You saw stock cars at Larimore?

Mr. HAWLEY. Yes, sir.

Mr. BEGG. You do not know whether the cars were there for immediate loading or not?

Mr. HAWLEY. No, sir. I am speaking of double deck stock cars, of those in particular, because complaint was made to me by the gentleman of Glasgow that he had been unable to get double deck stock cars.

Mr. BEGG. For all you know the cars might have been on the way?

Mr. HAWLEY. For all I know the cars might have been on the way.

Mr. BEGG. The engine delays, which you took from the record, you would say that the sheet which showed a delay to the engine of eighty hours meant the crew on duty eighty hours?

Mr. HAWLEY. Yes, sir.

Mr. BEGG. Would that follow that the train was left there at the station and the crew went to bed for twelve hours, that they were still on duty?

Mr. HAWLEY. I would not consider it that way. The engine crew would not be considered delayed if they laid up twelve hours.

Mr. BEGG. Yet they may have laid up at some station for twelve or more hours?

Mr. HAWLEY. Then it would not appear as delay. If they had laid up it would not appear as delay?

Mr. BEGG. Why not? The engine had not completed its run until that number of hours?

Mr. HAWLEY. Then, if they had done that, they would have started in on the next day and showed the delay from where they started.

Mr. BEGG. Why would they; don't it depend on the system in use on that road?

Mr. HAWLEY. That delay would not appear for two days, where it had taken place on one, or at least if they were working.

Mr. BEGG. I want to call your attention to that, because as a matter of fact that crew did lay up and go to bed.

Mr. HAWLEY. Possibly they did. I would not say.

Mr. BEGG. You were in North Dakota during the season of the blizzards, when the blizzards were raging?

Mr. HAWLEY. I was in Devils Lake when there was a severe storm on the road.

Mr. BEGG. I presume you saw the effects of the blizzards when you came through—snowdrifts?

Mr. HAWLEY. I did not see very many drifts until the recent snowstorm, within the past week.

Mr. BEGG. You came in from Crookston on your way back?

Mr. HAWLEY. I came in from Devils Lake.

Mr. BEGG. You do not know whether the engine delays at Crookston were due to the blizzards, or what caused them?

Mr. HAWLEY. No; I simply know that the gentleman told me that trains were delayed there because they had no engines to move them.

Mr. BEGG. Now, you say the train men told you the cars were delayed because they had no engines to move them, and also they told you if they would only load the train lighter they would move cars better?

Mr. HAWLEY. I think you misunderstood me. I do not think I stated that the train men told me that. I said the train men told me the trains were delayed because they had no engines to move them.

Mr. BEGG. You say they told you they could move trains better if they loaded the engines lighter?

Mr. HAWLEY. Yes, sir; I believe that is the consensus of opinion.

Mr. BEGG. In fact, if fifty trains were loaded with twenty cars, would not they only haul half as much as if they were loaded with forty?

Mr. HAWLEY. I do not feel disposed to go into the discussion and consideration of that matter. I prefer to leave that to the operating officials.

Mr. BEGG. In checking over this train movement over the line which runs from Crookston into Duluth, you have a statement of the time consumed on train movement from Cass Lake to Superior. Have you noticed whether the tonnage had any effect upon the time made by the trains?

Mr. HAWLEY. I did not go into it that far.

Mr. BEGG. You do not know anything about the lighter trains and that there?

Mr. HAWLEY. That might have been the way; yes, sir.

Mr. BEGG. That is all.
Commissioner LANE. That is all.
(The witness was excused.)
(The papers above referred to, in Mr. Hawley's testimony, are received in evidence and marked "Exhibit No. 1—Hawley.")
Mr. MARBLE. I will call Mr. Winter.

G. B. WINTER, called as a witness, was duly sworn, and testified as follows:
Mr. MARBLE. What is your name?
Mr. WINTER. G. B. Winter.
Mr. MARBLE. Where do you reside?
Mr. WINTER. Salt Lake City, Utah.
Mr. MARBLE. And you are in the employ of the Interstate Commerce Commission as a safety-appliance inspector, are you?
Mr. WINTER. Yes, sir.
Mr. MARBLE. How long have you been employed?
Mr. WINTER. Nearly two years.
Mr. MARBLE. And previous to that what was your employment?
Mr. WINTER. I was employed in the train service—a railroad man.
Mr. MARBLE. How many years?
Mr. WINTER. I have had about ten years train experience. And, included in that experience, I was a fireman in yard work, and also a brakeman in different parts of the country on different roads.
Mr. MARBLE. Did you recently find yourself transferred to this car-shortage investigation?
Mr. WINTER. Yes, sir.
Mr. MARBLE. At what point?
Mr. WINTER Spokane, Wash.
Mr. MARBLE. And you came from Spokane, Wash., to this city on what road?
Mr. WINTER. The Northern Pacific.
Mr. MARBLE. Observing the conditions as well as you could?
Mr. WINTER. Yes, sir.
Mr. MARBLE. From this point you returned to what city?
Mr. WINTER. I went back over the Northern Pacific as far as Jamestown and again returned to Minneapolis.
Mr. MARBLE. And like Mr. Hawley you talked with the train crews, as far as you could?
Mr. WINTER. Yes, sir. With quite a number of them.
Mr. MARBLE. And observed conditions?
Mr. WINTER. Yes, sir.
Mr. MARBLE. Did you see many train crews?
Mr. WINTER. Quite a number.
Mr. MARBLE. In your talk with those train crews, did you endeavor to get their idea of the causes of the slowness of the movement of freight?
Mr. WINTER. I made a special effort to do so.
Mr. MARBLE. How many did you so talk with?
Mr. WINTER. I have not kept track of the crews. I should judge I talked with twenty different men who were in the train service, including engineers, brakemen, conductors, and operating officials, such as yard masters, train masters, etc.

Mr. MARBLE. Did you find them agreed as to the cause of the slowness of movement?

Mr. WINTER. There was a general idea. They all had practically the same idea with reference to the trouble.

Mr. MARBLE. What did they say was the cause?

Mr. WINTER. Well, most generally it was that the trains were on the road too long.

Mr. MARBLE. Why?

Mr. WINTER. The trains were too large.

Mr. MARBLE. Too heavy?

Mr. WINTER. Yes, sir.

Mr. MARBLE. If they were made lighter that more freight would be moved?

Mr. WINTER. That remark was not put in that way—if the trains were made lighter they could get over the road better—better time could be made. In that remark they did not say anything about the amount of tonnage to be hauled.

Mr. MARBLE. Did you, at a certain point—at Jamestown—did you find a number of empties—box cars empty standing on the track?

Mr. WINTER. There were about forty-three cars in one string.

Mr. MARBLE. Large cars?

Mr. WINTER. Nearly all of them 80,000 capacity. Some of them, however, were 70,000; and one or two 60,000.

Mr. MARBLE. You do not mean 70,000?

Mr. WINTER. Yes, sir; 70,000.

Mr. MARBLE. They are large cars also?

Mr. WINTER. When they first came out I guess they were called furniture cars. Now they are denominated large size box cars; 80,000 capacity.

Mr. MARBLE. Did you learn from the marks how long the cars had been standing there?

Mr. WINTER. I did; yes, sir; the cars showed the dates they were emptied

Mr. MARBLE. And you say that was when?

Mr. WINTER. On the 15th day of December.

Mr. MARBLE. Did you subpœna the train dispatcher to come over?

Mr. WINTER. I did; yes, sir.

Mr. MARBLE. And you asked him to bring the delay reports.

Mr. WINTER. Yes, sir.

Mr. MARBLE. Did you ask him to bring reports covering those two dates?

Mr. WINTER. No; I asked him to bring reports for the 10th and 15th of the month, to show that the cars were emptied at the time the mark was on the cars, and also the day that I saw them there, to show that the cars laid in the yards the time intervening.

Mr. MARBLE. You called for another delay report than this one?

Mr. WINTER. I called for the date which shows the marks on the cars. I think I called for the 10th and 15th. Yes, sir; I wanted to show the 10th and 15th.

Mr. MARBLE. You compared the numbers with yours?

Mr. WINTER. I checked the numbers of the cars.

Mr. MARBLE. Did you find those cars had been standing there the length of time the marks indicated?

Mr. WINTER. Yes, sir; and some of them longer. The records show them there on the 10th and also on the 15th.

Mr. MARBLE. And on these delay reports did you find the record there of freight delays—of loaded and empty cars in that yard?

Mr. WINTER. Quite a number.

Mr. MARBLE. And these are the reports?

Mr. WINTER. Yes, sir; those reports were handed me by the train dispatcher from Jamestown.

Mr. MARBLE. Brought by him here in response to a subpoena?

Mr. WINTER. Yes, sir.

Mr. MARBLE. This check shows the cars on hand at Jamestown on December 15, giving the numbers of the cars and the contents, the kind, the length, capacity, date arrived at station, the destination, the total days at the station, as follows: Nine cars of coal standing two days, one car three days, a car of wheat four days, a loaded car which seemed to be building material eleven days, several cars of sand nine days. What are those next?

Mr. WINTER. A car of plaster.

Mr. MARBLE. A car of plaster nine days, and so on—wheat nine days—and you dave summed up in this memorandum what you found on these two slips?

Mr. WINTER. Yes, sir; I checked them off generally. I did not have the necessary time to take each one. I just made a general average. They show for those dates on that.

Mr. MARBLE. Tell us what you found as a summing up of that.

Mr. WINTER. The loaded cars at Jamestown, from the records, are shown: Flour in the yard, eight days; car of plows, in the car, four days; car of material, seventeen days; trucks, fourteen days; flour, thirteen days; flour, twelve days; pipe, eight days; wheat, eight days; wheat, twenty-two days; wheat, fifteen days; wheat, fourteen days; and wheat, four days.

The empty cars for Jamestown show that they were delayed in the yard three days, six days, eleven days, nine days, six days, etc. There is quite a little of the record here on that, if you want to go into detail about it.

Mr. MARBLE. I do not think it is necessary to do that. You simply summed up what you found on those reports?

Mr. WINTER. You can check in anywhere there. There is one seventeen days. You can open the reports anywhere.

Mr. MARBLE. You simply opened them up at random?

Mr. WINTER. Yes, sir. There is one six, there is one eight, there is one twelve, there is one two days, nine days, two days, eight days, two days, fifteen days. That is the way they go on the delayed list.

Mr. MARBLE. Was there a blizzard at this time at that point?

Mr. WINTER. On the 15th of December we had quite a severe storm. I think it is proper to say that a few days prior to that I came from there—four or five days before—and I think they had considerable snow. I believe it was about the 10th.

Mr. BUNN. It was pretty stormy up in North Dakota when you were there, was it not?

Mr. WINTER. Quite so.

Mr. BUNN. Had been for some little time prior?

Mr. WINTER. I came over from Billings, and stopped along the line and it was very cold, and they had had some snow—quite a little snow.

Mr. BUNN. When you spoke of a string of empty cars there, which were marked the 9th, and you saw them on the 15th?

Mr. WINTER. On the 15th; yes, sir.

Mr. BUNN. Do you know where they were made empty, whether they were not made empty at some other station and had been just brought in?

Mr. WINTER. I could not say as to that. The record shows they were empty on the 10th. I would judge they were made empty there.

Mr. BUNN. Might not they have been made empty at some near by point and brought down there?

Mr. WINTER. Possibly.

Mr. BUNN. You do not know?

Mr. WINTER. I do not.

Mr. BUNN. You have said the men expressed opinion that trains would go very much faster if they were lighter?

Mr. WINTER. I believe that was the idea that they wanted to convey.

Mr. BUNN. Did you form any opinion, or did these men express any opinion, that lighter trains would move more traffic?

Mr. WINTER. I do not believe that question was discussed; no, sir.

Mr. MARBLE. Did you at a point near the beginning of your work at the west find certain mines in trouble for lack of cars?

Mr. WINTER. I did at Billings.

Mr. MARBLE. At that point nearest to that did you find empty cars?

Mr. WINTER. At Billings, Mont.

Mr. MARBLE. Where did you find the empty coal cars?

Mr. WINTER. At Billings, Mont.

Mr. MARBLE. The mine and the cars were at the same point?

Mr. WINTER. The mines were near Billings on the road—on the Red Lodge Branch—some 75 miles from Billings, as near as I could get the information at the time. The cars were all at Billings.

Mr. MARBLE. Did you talk with the owner or manager of that mine?

Mr. WINTER. I talked with a member of the mining firm.

Mr. MARBLE. What is his name?

Mr. WINTER. Mr. Yegen, of Yegen Brothers, and he informed me that he had notified the railroad companies on that day that if they did not get empties down he would have to shut down. That he had 80 men employed.

Mr. MARBLE. Had they been standing there, and how long?

Mr. WINTER. I could not say as to that. I believe it would be well to explain there that there was quite a lot of beet service west of there; that they were the drop-bottom cars, and they might have been used in the beet service. In fact some of them were loaded at that time in the yard with beets.

Mr. MARBLE. Cars of the same sort and description?

Mr. WINTER. Cars of the same class.

Mr. MARBLE. The cars might have been on the way to the beet men, but you do not know the length of time they had been standing there?

Mr. WINTER. I could not find out.

Mr. BUNN. Mr. Winter, do you know where Yegen's mine is?

Mr. WINTER. I know only from what information I got at Billings.

Mr. BUNN. Didn't they tell you it was not on the Northern Pacific road at all?

Mr. WINTER. I believe that he mentioned that it was on a branch, and whether I understand now that that branch meant a branch of the Northern Pacific or not, I could not say.

Mr. BUNN. Did he not also tell you that that road to his mine had not been completed—that the cars could not get in there to it?

Mr. WINTER. No, sir; he did not.

Mr. BUNN. He did not?

Mr. WINTER. No, sir.

Mr. BUNN. You would not want to be understood as intimating that those are not the true facts?

Mr. WINTER. I do not understand, Mr. Bunn.

Mr. BUNN. You do not mean to say that those are not the true facts?

Mr. WINTER. I am not going on the location of the mine at all. I know nothing, only what I got from them.

Mr. MARBLE. You found the men complaining because the cars were not at the mines?

Mr. WINTER. Yes, sir.

Mr. MARBLE. That is all.

(The papers referred to above in Mr. Winter's testimony are received in evidence and marked "Exhibit No. 1—Winter.")

The witness was excused.

Mr. BUNN. I want to ask Mr. Horn one question. (Addressing witness:) Mr. Horn, do you know where Mr. Chris. Yegen's mine is located?

Mr. HORN. That is on the Yellowstone Park Railroad.

Mr. BUNN. And not on the Northern Pacific?

Mr. HORN. No, sir.

Mr. BUNN. Who owns the branch road it is on?

Mr. HORN. A man by the name of F. A. Hall and associates.

Mr. BUNN. What is the condition at that point?

Mr. HORN. It is just in what you might term semicompleted condition.

Mr. BUNN. Are they hauling any traffic over it now—any coal traffic?

Mr. HORN. They might have hauled, I would say, a couple of hundred cars.

Mr. MARBLE. They can haul cars over it?

Mr. HORN. They can, but it is not quite finished.

Mr. MARBLE. They can take cars from you and deliver to you coal?

Mr. HORN. Yes, sir.

Mr. BUNN. When you have freight trains moving in one direction and light engines moving in the same direction, do you divide the traffic between all the engines or do you run part of the engines light and part of the trains heavy.

Mr. HORN. We divide the traffic.

Mr. BUNN. That is all, unless you want to ask some more questions.

(The witness was excused.)

I. B. RICHARDS, called as a witness, was duly sworn and testified as follows:

Mr. MARBLE. Mr. Richards is called at the request of Mr. Bunn, and I think I will leave the examination to him.

Mr. BUNN. You are car accountant of the Northern Pacific Railway?

Mr. RICHARDS. Superintendent of car service.

Mr. BUNN. I beg pardon.

Mr. RICHARDS. Superintendent of car service.

Mr. BUNN. What are your duties?

Mr. RICHARDS. My duties are to superintend the distribution of cars, and to keep the records of them, and keep records of the commodity loading, and other different statistics.

Mr. BUNN. Give cars to different divisions and districts—that is done under your direction?

Mr. RICHARDS. Yes, sir.

Mr. BUNN. Will you tell the Commission under what working principle you assign cars for distribution along the line?

Mr. RICHARDS. We ascertain the amount of business offered in different territories and prorate the equipment between those territories.

Mr. BUNN. You prorate the equipments between the different divisions and districts?

Mr. RICHARDS. The divisions; yes, sir.

Mr. BUNN. Who subdivides it as between the consumers on each division?

Mr. RICHARDS. The superintendent distributes the equipment on his division as between the stations, and the local agent at each station prorates the equipment as between the customers at such station.

Mr. BUNN. How would he furnish cars—divide them between the customers?

Mr. RICHARDS. On the basis of the business offered.

Mr. BUNN. Equally and proportionately to the business offered?

Mr. RICHARDS. Except that if one man had a quantity of business to offer, and another a larger one, and we had three cars, we would give the small man one and the larger man two, but if we only had two cars we would give each shipper one car, if we had them.

Mr. BUNN. You aim to give each one car, and over that in proportion to their shipments?

Mr. RICHARDS. Exactly so.

Mr. BUNN. Do you know of any system by which empty cars are sold to anybody by the Northern Pacific?

Mr. RICHARDS. I do not.

Mr. BUNN. Would that be tolerated by the officers of the company?

Mr. RICHARDS. Not if it should be found out. It might be done, and we might be absolutely unable to detect it.

Mr. BUNN. You have been in close touch with this question of car shortage this autumn?

Mr. RICHARDS. Yes, sir.

Mr. BUNN. What do you think is the cause?

Mr. RICHARDS. We have been compelled to furnish more cars to the shippers than we could do with the power and facilities we had.

Commissioner LANE. Are you short of power?

Mr. RICHARDS. Yes, sir. We do not have enough motive power and we do not have enough facilities to promptly move all cars we have to furnish to the shippers.

Mr. BUNN. Has there been a change in the loading of cars westward in previous years?

Mr. RICHARDS. In previous years we were able to move empties into the wheat fields to a greater extent than this year, and for that reason we could move more grain, but this year their commodities—

there has been an increase in other commodities to an extent which required us to load cars in both directions, which we have done, and that resulted in the slowing down of the movement.

Mr. BUNN. What has been the result of that as producing a congestion?

Mr. RICHARDS. It has had the effect—the fact we had more cars than we could move is, of course, the real reason for the congestion. Now, the reason for the delay—longer delay in movement of those—is due, of course, to loaded cars in both directions, taking time to load and handle at the same station on the movement this way and repeating the same on the other movement.

Mr. BUNN. Where is the particular congestion—where has it been on the eastern division of the Northern Pacific road?

Mr. RICHARDS. At the head of the Lakes terminals. That, of course, backed up, and there is a congestion as far back as Dakota.

Mr. BUNN. Has it been the condition during a large part of the fall that it was absolutely useless to haul cars into Duluth, because they would not be unloaded there if so hauled?

Mr. RICHARDS. It has been a great part of the time; not all of the time.

Mr. BUNN. A portion of it?

Mr. RICHARDS. Yes, sir.

Mr. BUNN. What are the coal conditions on the Northern Pacific road according to your information to-day?

Mr. RICHARDS. There is some shortage at some of the points. Generally speaking, we have coal at most of the stations.

Mr. BUNN. Have you made up a list of the conditions at each station?

Mr. RICHARDS. I saw one; I did not make it myself.

Mr. BUNN. Where is it?

Mr. RICHARDS. I do not know where it is.

Mr. BUNN. Are there in the office of the Northern Pacific road daily reports of the coal conditions, which are made every day?

Mr. RICHARDS. Yes, sir.

Mr. BUNN. Are they made and in what office?

Mr. RICHARDS. Made in the superintendent's office and sent to our office.

Mr. BUNN. And sent to your office?

Mr. RICHARDS. Yes, sir; information for our own and other offices.

Mr. BUNN. I won't spend much time on this. I would like to file this. They say in a general way that the condition is satisfactory at nine points out of ten.

Commissioner LANE. That there is a sufficiency of coal at nine points out of ten?

Mr. BUNN. Not a long supply, but sufficient for the time being at nine points out of ten. And I would like to have the same put in evidence.

(The same is received in evidence and marked "Exhibit No. 1—Richards.")

Mr. BUNN. That is in North Dakota and Minnesota? Both of those lists?

Mr. RICHARDS. Yes, sir.

Mr. BUNN. You have no road running into South Dakota?

Mr. RICHARDS. No, sir.

Mr. BUNN. Now, will you please tell us how much wheat the Northern Pacific road has moved, as compared with last year?

Mr. RICHARDS. I have a statement here in per cents.

Mr. BUNN. That is sufficient.

Mr. RICHARDS. From all grain points east of Mandan 2.5 decrease from last year?

Mr. BUNN. Two and five-tenths?

Mr. RICHARDS. Yes, sir.

Mr. BUNN. Tell us what has been the increase in other commodities?

Mr. RICHARDS. Coal increased 31 per cent; merchandise, 11.6 per cent; commodities, other than grain, 14.6 per cent. The total loading east of Mandan increased 10.2 per cent.

Mr. BUNN. And the grain has decreased very slightly and all these other things increased quite largely?

Mr. RICHARDS. Yes, sir; that is east of Mandan—east of the Missouri River.

Mr. BUNN. Has construction been going on—double tracking down there?

Mr. RICHARDS. Yes, sir.

Mr. BUNN. Has that embarrassed the operation of the railroad to a certain extent?

Mr. RICHARDS. To a certain extent; yes, sir.

Mr. BUNN. A good many construction trains working there?

Mr. RICHARDS. Yes, sir; a good many engines.

Mr. BUNN. What has been the condition of that track with respect to being crowded with trains?

Mr. RICHARDS. Very badly congested with trains.

Mr. BUNN. Has the company, in your judgment, run all the trains it could over the track. and has it moved all the traffic possible?

Mr. RICHARDS. I am sure of it, sir.

Mr. BUNN. What would be the effect if they reduced—decreased the trains?

Mr. RICHARDS. It will still congest them, farther back into the grain-loading territory, and slow down the movement so that there would be more of these twenty and thirty day cars on the line than we have now.

Mr. MARBLE. How would it have that effect—why would it have that effect?

Mr. RICHARDS. Because I think we would be able to make better time, possibly, but we could not handle as many loads.

Mr. MARBLE. You do not think that an engine could get over the road enough more times to make up the difference?

Mr. RICHARDS. No, sir; I do not think we can run them up to the time necessary to increase, and then you would increase the meeting points, and in my judgment it would offset any gain that might be realized in speed between the meeting points.

Mr. MARBLE. Did you hear the testimony of Mr. Pennington this morning that when they had a surplus of tonnage he took a little weight off the trains, eased the loading a little?

Mr. RICHARDS. Yes, sir; to a certain extent.

Mr. MARBLE. Lightening the tonnage does make a difference?

Mr. RICHARDS. Yes, sir; to a certain extent, but to still further lighten it beyond what we do would make it impossible for us to move as many loads as we do now.

Mr. MARBLE. There is a limit for the lightening process, where it ceases to do good?

Mr. RICHARDS. That is it exactly.

Mr. MARBLE. And have you lightened engines up to that limit?

Mr. RICHARDS. We think we have.

Mr. MARBLE. You think you have?

Mr. RICHARDS. Yes, sir.

Mr. MARBLE. You do not think it is the policy of your road to run very heavy trains regardless of time?

Mr. RICHARDS. It is not.

Mr. MARBLE. It is not?

Mr. RICHARDS. We keep the tonnage up in order to handle a great volume of business, for the reason that we have an obligation to the public to do that.

Mr. MARBLE. Do you know how the deliveries of grain by your company to Duluth and Minneapolis this year compare with the business last year?

Mr. RICHARDS. Yes, sir; I have a statement to show that.

Mr. MARBLE. Did you deliver this year as much as last?

Mr. RICHARDS. Into Duluth, I think, we delivered 1,600 more cars than last year.

Mr. MARBLE. If you have it in bushels, please give it to me.

Mr. RICHARDS. We do not keep it in bushels. Those are the chamber of commerce figures. I think they show a thousand bushels to a car.

Mr. BUNN. They average about a thousand bushels to the car?

Mr. RICHARDS. That is the way we figure it, Mr. Bunn. I am trying to get at the figures. The records show that on December 7, we had put into the head of the Lakes, 1,723 more cars of grain than for the same period last year, and that dates from August 15, I think it is.

Mr. MARBLE. Have you included in that deliveries made by you for the Soo railroad?

Mr. RICHARDS. The movement of cars taken in by the Northern Pacific includes that delivered for the Soo Line.

Mr. MARBLE. Into Duluth?

Mr. RICHARDS. Into Duluth; yes, sir.

Mr. MARBLE. And do you include that in your figures?

Mr. RICHARDS. In our system from the west.

Mr. MARBLE. That includes the business of the Soo road?

Mr. RICHARDS. Everything on the Northern Pacific naturally.

Mr. MARBLE. If the Soo had done even better, then, than it has, it would have enabled you to show still more remarkable figures for your road?

Mr. RICHARDS. Of course, business when through via the Northern Pacific—they have to handle the cars that would be docked on the Duluth terminals. I have it for the other lines.

Mr. MARBLE. Do you know as to the grain hauled out of North Dakota—have you those figures?

Mr. RICHARDS. Yes, sir; I have it that way.

Mr. MARBLE. The grain hauled out of North Dakota?

Mr. RICHARDS. For October and November, I have it.
Mr. MARBLE. I would like that.
Mr. BUNN. You mean by the Northern Pacific road?
Mr. MARBLE. Yes, sir.
Mr. RICHARRS. I do not believe I have those figures here, but I can have them made.
Mr. MARBLE. I will ask that you have those figures made up and sent to us, if it will not take too long a time.
Mr. RICHARDS. I will turn them in here to-day.
Mr. BUNN. Better make up the figures and send them in.
Mr. MARBLE. That will be all right.
Mr. BUNN. You are an old train dispatcher, I presume.
Mr. RICHARDS. Yes, sir.
Mr. MARBLE. Do you, in ordering cars for competitive points, discriminate in favor of competitive points as against noncompeting points?
Mr. RICHARDS. We do not. We take special measures to prevent it.
Mr. MARBLE. How do you explain the fact that competitive points are better supplied than noncompetitive points?
Mr. RICHARDS. I do not know that that is a fact.
Mr. MARBLE. The elevators, so the evidence shows, at competitive points seem to be able to keep open, and those at noncompeting points do not seem able to keep open.
Mr. RICHARDS. It is possible that other railroads have kept them open—certainly not the Northern Pacific.
Mr. MARBLE. Perhaps other railroads have discriminated?
Mr. RICHARDS. Possibly.
Mr. BUNN. There might be more elevators at competing points?
Mr. RICHARDS. Yes, sir. They might be kept open for that reason. We have a plan which prevents that—a plan to prevent it.
Mr. BUNN. That is all.
(The witness was excused.)

L. T. JAMME, recalled.

Mr. JAMME. In case there may be any misapprehension as to the delays accruing at Minneapolis on account of the inspection and reinspection on appeal in the grading of oats, in the methods of selling grain on this market, I will explain to the Commission our present method of handling grain here.
Commissioner LANE. Could you make that very brief?
Mr. JAMME. Yes, sir; I will try to. I do not think it will take over five minutes, Mr. Commissioner.
At the present time samples are furnished either at Minneapolis or Willmar or Melrose or Staples. These samples are sent to the inspection here and inspection is made indoors.
There was a time when the inspection and grading was done out in the car.
At the present time we have changed and better results can be secured by inspecting indoors.
The State of Minnesota has charge of the inspection, as you probably understand, and this present method in the inspection, as a rule, on grain arriving by 8.30 here—the inspection is such that grain arriving at 8.30 is in the hands of the commission men early enough

in the day so that the grain goes on the market and goes on sale on that day in the market.

Now, then, if there is a call for reinspection on a car, it is done immediately, and if there is an appeal from the reinspection that is also done immediately, so that I might say that 90 per cent of the grain which is inspected or which arrives on this market for sale, if it is reinspected and appealed, that is performed on the same day before the market closes.

Commissioner LANE. The whole period of inspection does not cover twenty-four hours?

Mr. JAMME. No, sir. This morning I went over a number of cars there for one of the largest dealers here and then they called for a reinspection on a large number and later called for an appeal and had the result of the appeal by 11 o'clock.

I doubt if any grain is carried over on that account.

Mr. BRIGHT. You are referring to the testimony of Mr. Pennington?

Mr. JAMME. I do not know whose testimony it was. I understand the testimony——

Commissioner HARLAN. My understanding of it was that that related to small dealers. Are there any men not on your board?

Mr. JAMME. We have two classes of dealers—that is, men who are in the elevator business and those who are millers and actual consumers, and others buying on commission, and others who bid for particular cars and resell them afterwards. There are all classes of buyers and I presume in all these markets there are those who buy grain to-day and expect to sell it to-morrow at an advance, but I believe that I am safe in saying that this year there has been less of that than any other time in the past, at least the statement was made to me by men who were in a position to know.

Mr. BUNN. Your statement has no bearing on what Mr. Pennington stated of the difficulty of the manner of brokers owning grain in cars for the purpose of making a trade, has it?

Mr. JAMME. I do not know whose testimony it was, Mr. Bunn, but I understood the statement was made that grain was held several days endeavoring to make disposition of it. Now, that possibly happened in the past.

Mr. BUNN. No; statement was made here, I understand, of grain held here several days awaiting inspection.

Mr. JAMME. Oh, no; but the statement was made to me that there was considerable delay on account of the fact that reinspection went over several times, and I thought that it was fair to the business here that we should have that made clear.

Mr. MARBLE. The testimony was, Mr. Jamme, that the railroads work seven days a week and thirty or thirty-one days a month, while the chamber of commerce closes up for Sundays and holidays and on those days delays are caused, and then they have to do the best they can, and that if they could keep the loaded cars all moving every day it would be much better.

Mr. BUNN. I think that I understood Mr. Pennington's principal point to be that these brokers would insist on cars standing for them to find customers and to find a better market, one, two, three, four, five, six, and even seven days.

Mr. JAMME. The facts are that possibly that condition has been true in the past. I will say right here that the chamber of commerce

has aided the railroads this year as far as they could in doing away with that practice. You understand our conditions in Minneapolis—our demurrage rules—and I believe they are more rigorous than they are in possibly any western city with the exception of Duluth. The chamber of commerce itself has done as much as possible to aid the railroads in the application of their demurrage rules to get prompt disposition of the cars as they arrive here.

Mr. MARBLE. There has been some delay, then, in furnishing the railways with disposition orders for the cars?

Mr. JAMME. At times there have been delays accruing where the commission houses have held the cars for a day or so, but I believe that at the present time that has been done away with to a very large extent.

Commissioner LANE. That is all.

(The witness was excused.)

G. H. EMERSON, called as a witness, was duly sworn and testified as follows:

Mr. MARBLE. What is your name?

Mr. EMERSON. G. H. Emerson.

Mr. MARBLE. Where do you reside, Mr. Emerson?

Mr. Emerson. St. Paul, Minn.

Mr. MARBLE. And you are with what railroad?

Mr. EMERSON. The Great Northern.

Mr. MARBLE. In what capacity?

Mr. EMERSON. Superintendent of motive power.

Mr. MARBLE. Superintendent of motive power?

Mr. EMERSON. Yes, sir.

Mr. MARBLE. Has the Great Northern enough engines?

Mr. EMERSON. Yes, sir.

Mr. MARBLE. You do not consider you are short of engines?

Mr. EMERSON. There has been a shortage, due to congestion in the yards and terminals, turning power, but it has not been general, by any means.

Mr. MARBLE. You mean that power got congested in the yards as well as cars?

Mr. EMERSON. Largely on the road, meeting and passing trains and congestion in the yard.

Mr. MARBLE. If you had had more engines with the present terminals and sidings could you have done better?

Mr. EMERSON. No, sir.

Mr. MARBLE. The trouble is not due to the engines?

Mr. EMERSON. Not due to the power, in my opinion.

Mr. MARBLE. If you had had more cars with present facilities, could you have done better?

Mr. EMERSON. No, sir.

Mr. MARBLE. The trouble was not due to the cars, then?

Mr. EMERSON. The trouble, in my opinion, is facilities.

Mr. MARBLE. Other than engines and cars?

Mr. EMERSON. Yes, sir.

Mr. MARBLE. Your engines are in an efficient state, are they?

Mr. EMERSON. Yes, sir.

Mr. MARBLE. What percentage is in the hospital?

Mr. EMERSON. We have 6 per cent at the present time in the shops. Four weeks ago to-day we had 4.

Mr. MARBLE. That is all.

Mr. BUNN. That is all.

(The witness was excused.)

H. M. CURRY, called as a witness, was duly sworn, and testified as follows:

Mr. MARBLE. What is your name?

Mr. CURRY. H. M. Curry.

Mr. MARBLE. You are general master mechanic of the Northern Pacific Railroad?

Mr. CURRY. General master mechanic of the Northern Pacific lines as far west as Billings, Mont.

Mr. MARBLE. And you reside at St. Paul, Minn.?

Mr. CURRY. St. Paul, Minn.

Mr. MARBLE. Have you enough locomotives in the work covered by you?

Mr. CURRY. No, sir.

Mr. MARBLE. You are short of power?

Mr. CURRY. Yes, sir.

Mr. MARBLE. Could you do better if you had more engines?

Mr. CURRY. Yes, sir.

Mr. MARBLE. How many have you under your jurisdiction?

Mr. CURRY. Four hundred and seventy-one.

Mr. MARBLE. How many more would you say you need?

Mr. CURRY. I think we could use to very good advantage about fifty more engines in my territory.

Mr. MARBLE. I presume you are ordering more engines—buying more?

Mr. CURRY. We are receiving them now. We have a delivery of thirty engines that are being set up as fast as they can be put together.

Mr. MARBLE. Are you prepared to make a statement that in the territory covered by you that when the busy time comes along about the 1st of July, or August, next year, that you will have enough engines?

Mr. CURRY. That is rather a broad statement.

Mr. MARBLE. You do not feel safe in making that prediction?

Mr. CURRY. Why, not if it keeps increasing as it has.

Mr. MARBLE. What proportion of the freight offered can you handle?

Mr. CURRY. I believe we will be in better shape on my territory with the engines now being delivered for the next year than we were this, and those we expect to have delivered in time to handle the crop. I believe we will be in better condition than we have been in several years prior to this time.

Mr. MARBLE. Are your engines in efficient repair?

Mr. CURRY. Yes, sir.

Mr. MARBLE. Those that are working?

Mr. CURRY. Yes, sir.

Mr. MARBLE. What per cent are in the hospital?

Mr. CURRY. I should judge about 8 or 10 per cent in the main shops.

Mr. MARBLE. That is all.

Mr. BUNN. That is all.

(The witness was excused.)

Commissioner LANE. Mr. Bunn, have you some witnesses you wish to call, or have you, Mr. Begg?

Mr. BEGG. I would like very much to have Mr. Hill called.

Mr. MARBLE. He will be called.

JAMES DE VEAU, called as a witness, was duly sworn, and testified as follows:

Mr. MARBLE. What is your name?

Mr. DE VEAU. James De Veau.

Mr. MARBLE. You are in the grain business at this city and Duluth, are you not?

Mr. DE VEAU. Yes, sir.

Mr. MARBLE. You have had trouble with delayed shipments and have prepared a memorandum of these delays?

Mr. DE VEAU. Yes, sir.

Mr. MARBLE. May we have it?

Mr. DE VEAU. Yes, sir.

Mr. MARBLE. These statements have been prepared by Mr. De Veau at my request, dividing his business according to the railroads, showing the date of each shipment, the number of the car, the station of origin, the date of inspection, the date of unloading at Duluth, and in general character are like the statements of delay which we have had from others.

(The same is received in evidence and marked "Exhibit No. 1—Mr. DeVeau.")

Mr. MARBLE. Have you sent a man to Duluth to look up those cars?

Mr. DEVEAU. Yes, sir.

Mr. MARBLE. And he went to the division superintendents of both roads inquiring for cars in the terminals?

Mr. DEVEAU. In the first place he went out and found out where shipments were and got in touch with the situation there. We had a great deal of trouble in getting the grain weighed there, looking after samples, and spotting cars, and they were not unloaded. There were several cars that we could not get delivered. Finally we sent a traveling man up there who was a railroad man, and he ran the cars down—found out the spot where the cars were, and then he went to the agent of the Great Northern at Superior, and started to tell him his woes, and the agent told him he did not have time to talk to him. But he came back at him and told him he would have to talk to him either to-day or to-morrow, and finally he listened to him. He told him he had cars that had been standing there several days, and the agent said it was no such thing. He afterwards got the paper, and the boy—the young man in the office—told him—he told him that those were the facts, and then he went to the agent again, and told him that he had better move those cars, and he said he would do the best he could to move those cars. It was impossible for us at the time to make a list here of those that have not been unloaded. Only a part of them are unloaded promptly. They lie there after they have been inspected from five to twenty days before going to the elevator, and Mr. Searles and Mr. Spencer and other elevator men

said that there was not a day in the crop year when if the railroads had put the cars to the elevators that they would have been unable to unload them. They would have been able to handle every one in Duluth.

Mr. MARBLE. That is all.

Commissioner LANE. That is all.

(The witness was excused.)

HOWARD ELLIOTT, called as a witness, was duly sworn and testified as follows:

Mr. MARBLE. Mr. Elliott, you reside where?

Mr. ELLIOTT. St. Paul.

Mr. MARBLE. And you are president of the Northern Pacific Railroad?

Mr. ELLIOTT. I am.

Mr. MARBLE. Are you familiar with the conditions out through North Dakota as they have been during this crop year?

Mr. ELLIOTT. Moderately so.

Mr. MARBLE. And familiar with the steps taken by your road to relieve the situation, so far as it is concerned?

Mr. ELLIOTT. Yes, sir.

Mr. MARBLE. Are you prepared to say that the conditions will be better for the next crop year than for this?

Mr. ELLIOTT. I think they will.

Mr. MARBLE. You feel safe in making that statement?

Mr. ELLIOTT. I do.

Mr. MARBLE. What improvements do you count upon to make the change?

Mr. ELLIOTT. Well, take the question of equipment first called for delivery during the year 1906. There are 6,200 cars called for delivery in 1906, of which 2,180 have not been delivered. We have ordered 77 passenger-train cars, all of which have been delivered. We have 191 engines for 1906 delivery, of which 34 have not been delivered. The total purchases for this year amount to $8,700,000.

Mr. MARBLE. How many engines?

Mr. ELLIOTT. One hundred and ninety-one.

Mr. MARBLE. How many delivered?

Mr. ELLIOTT. All but 34 have reached our rails. They are not all set up yet. We have ordered for 1907 6,700 freight cars, 165 locomotives, and 110 passenger-train cars, at an estimated cost of $12,100,000. These deliveries are all promised prior to the 1st of July.

We have now underway improvement, new work, including additional railroads that are building between Portland and Spokane—double-track work and larger yards—which work we are crowding as hard as we can and much of which will be done by this time next year; some of that work will have to go over until 1908, but the total, counting equipment and so forth, will amount to about $74,400,000. We have had as high as 9,000 men on construction work this summer, and we are trying to crowd the work if we can. If we succeed in getting our equipment delivered to us and in accomplishing the new work we have under way we believe that the situation will be better next season than it was this.

Mr. MARBLE. What do you find the life of an engine to be in the freight transportation service, in years?

Mr. ELLIOTT. I have known of engines in the service being in condition, good condition, twenty-five years. How long the big modern engine will last remains to be seen, but if it is kept in good order and the fire box replaced from time to time, it ought to last about twenty years.

Mr. MARBLE. Is it your opinion that your engines that you are using now will last that long?

Mr. ELLIOTT. I think very likely.

Mr. MARBLE. You are, then, increasing your supply considerably faster than the superannuation of engines?

Mr. ELLIOTT. I think so.

Mr. MARBLE. Is it the policy of your roads to load the trains to make tonnage records?

Mr. ELLIOTT. It is not.

Mr. MARBLE. Regardless of time?

Mr. ELLIOTT. It is not.

Mr. MARBLE. The public is mistaken in thinking that is your policy?

Mr. ELLIOTT. I do not know what the public thinks. The policy of the Northern Pacific is to try to move the maximum amount of the commerce of the country with the facilities at its command. We think we can move more freight with 10 engines with 500 tons behind an engine than if we had 400. It is purely a question of trying to move the maximum amount of commerce offered between the head of the Lakes and Puget Sound, which is more than enough to go around at the present time.

Mr. MARBLE. Is it your opinion that your railroad is effectively organized?

Mr. ELLIOTT. Yes, sir.

Mr. MARBLE. And the different departments and services are working together for the best results?

Mr. ELLIOTT. I think so.

Mr. MARBLE. You don't think that the discipline is at all lax?

Mr. ELLIOTT. I do not.

Mr. MARBLE. To what do you attribute the difficulties in transportation this fall?

Mr. ELLIOTT. Well, you can run an unlimited amount of water through a 1-inch hose if you have got a place for it to go out at the other end. If there is nowhere for it to go at the other end, it will back and move very slowly through the hose, and that is largely the condition on the Northern Pacific. Take it at Portland, Tacoma, Seattle, the head of the Lakes, with rails both ways, and when you have too much traffic, it chokes up at the interior division points.

Mr. MARBLE. Don't you think that your road at Duluth showed bad judgment in losing a portion of the terminal capacity about the beginning of September, in trying to make repairs, just at the beginning of the busy season?

Mr. ELLIOTT. No, sir; those repairs were begun away last year, and we hoped to have them all in and done by the 1st of October. However, one thing and another delayed us, and if you have been engaged in any sort of physical work—I do not mean manual labor—but

engaged in trying to get anything done in the last year, you will find all sorts of things turning up to make delay. One thing and another at Duluth caused trouble, and then another cause of the trouble is this: We made all plans to rebuild and improve a bridge so heavier power could be used on that bridge. The bridge was approved by the War Department at Washington, and we were just ready to go to work on it when a new chief of engineers at Duluth was appointed, and he objected to the plans; so that the whole plan had to be changed and a new bridge commenced, and instead of being done next spring, it, in all probability, will not be done until about the spring of 1908. These various things interfered and are going to come up that nobody knows anything about.

Everything appeared to be all right to build that bridge to switch cars there, and then somebody in business, possibly the grain vessel interests, thought that bridge ought to be changed, and although the War Department had approved the previous bridge it became necessary to form new plans for building a new bridge and increasing that expense, but even if the Northern Pacific got everything exactly right, so that there was no trouble on its line, you have got to get that stuff away from Duluth by vessel, south of St. Paul by rail, and south of Portland by rail, and we claim that we are doing all the work we can as quickly as we can. We are doing everything we can in the way of providing increased facilities, both in equipment, double tracking, grade revision, and making other complete plans for terminals at a number of places, but that work will take time, and it can not be done in a minute.

As to freight equipment, we have less than 4 per cent of our freight cars in bad order at this present time.

As to our locomotives, what we call back shop repairs, I understood there are 6 or 7 per cent of our engines down in the back shops. We keep very accurate account of our power, and I would say that we have got 15 or 16 per cent out of commission at times. Sometimes an engine will be laid up for perhaps twelve hours in the roundhouse for very slight repairs. We count that being out, exactly the same. Some roads only count those in shops for heavy repairs.

Mr. MARBLE. What percentage of your engines are out of use to-day?

Mr. ELLIOTT. As I say, from 15 to 16 per cent.

Mr. MARBLE. The effect upon the traffic is the same no matter where they go?

Mr. ELLIOTT. They come back more quickly.

Mr. BUNN. Mr. Elliott, what are the peculiar causes in your opinion, of the trouble in transporting wheat to the market this fall and getting coal back into North Dakota?

Mr. ELLIOTT. I think the chief difficulty on the wheat is that the Head of the Lakes market has taken a greater proportion of the wheat than this time last year. There has been a much larger general movement of commodities out of Duluth and Superior, so that there has been a congestion of what we call the Head of the Lakes terminal, which has backed up all the way across Minnesota and North Dakota and even as far west sometimes as Central Montana. I think that there has been no peculiar difficulty about the movement of coal on the railroad. I think——

Mr. BUNN (interrupting). Have you given any directions about the coal on the Northern Pacific—the movement of coal on the Northern Pacific to North Dakota?

Mr. ELLIOTT. Yes, sir; in the latter part of June or early in July last year I instructed representatives of the freight department and the operating department on our road to make every effort they could to induce consumers in the country districts to put in their orders to dealers early, so that we might, so far as possible, spread the movement of fuel over the summer months and not try to move it all after the cold weather began.

Now, we all know, who travel over some of the Eastern States—especially New England, where I happened to be brought up—that there the towns nearly all have coal yards and they bring coal in all through the summer and they store it, and the consumer gets his coal in the winter out of the coal yards, instead of buying out of the car. The population of North Dakota has increased and business men to-day ought to move the coal in and store it in stock piles during the summer and load it out from the stock piles into the wagons, rather than depend on bringing all the coal from Duluth or St. Paul by car and loading from the car into the wagon when they especially need the coal.

Mr. BUNN. I judge from what you say it is a fact that the storage facilities in North Dakota are limited.

Mr. ELLIOTT. Quite limited for coal.

Commissioner LANE. The railroad itself don't accumulate on its system coal in July or June?

Mr. ELLIOTT. It has stocked up quite a little, but the blizzard became so great that it was practically all used up and so cars have had to be put into use hauling our own coal, coal which might have otherwise been used in the commercial trade. We have had to the 1st of October stored probably 50,000 tons at various division points at one time.

Mr. MARBLE. How many days would that last—50,000 tons—providing you were using out of it and not shipping?

Mr. ELLIOTT. I think the 50,000 tons would last about a month.

Mr. BUNN. Have you given the operating officials of the Northern Pacific instructions to give preference to coal shipped into North Dakota over other traffic?

Mr. ELLIOTT. I think I gave no written instructions about that, but my impression is that, beginning about the 1st of November, I talked with our operating people and told them to get fuel out into the country and to do everything they could. In the past three weeks we have perhaps gone even farther. We have made a special effort to run coal ahead of what we call fast merchandise trains; we sometimes put them on passenger trains going along into branch line territory.

Mr. BUNN. You have in mind that Mr. Richards has issued orders under your direction to give preference to coal—about how long ago was that?

Mr. ELLIOTT. I should say about three weeks ago, but I would not want to swear to that.

Mr. BUNN. Those orders are in existence now?

Mr. ELLIOTT. Yes, sir.

Mr. BUNN. Do you know anything else you could do in order to get coal into North Dakota that you are not doing?

Mr. ELLIOTT. Not a thing.

Commissioner LANE. Has especial attention been paid to these telegrams received here and those people notified by you that they could have the coal if they ordered it at Duluth?

Mr. ELLIOTT. Every telegram, your honor, which we have received has been given special attention. We have one man who does not do anything else than watch the mail. He has got authority to act personally. We have only had two formal complaints from mayors or boards of trade or commercial bodies, and we are doing everything we can think of to the best of our judgment, and from daily reports made to us about fuel each morning, we think that there is no case of serious suffering up to the present time, and we hope there will be none.

Commissioner LANE. You feel that you can safely say that all of the demands upon your line will be met—all the reasonable demands—and that there will be no serious shortage of coal—no serious danger of coal famine?

Mr. ELLIOTT. As to North Dakota and Minnesota, yes.

Commissioner LANE. Farther west, is there some trouble?

Mr. ELLIOTT. I would not want to say certainly about the State of Montana. There is not enough coal being produced, perhaps, to go around.

Commissioner LANE. Where would the supply for Montana be drawn from—from their fields or the others?

Mr. ELLIOTT. It comes from some of the local mines in Montana, and some from Rock Springs district in Utah, and some is hauled all the way across the country from the head of the Lakes, and we are trying to help the situation.

Mr. BUNN. Do you know anything about what coal is worth in San Francisco?

Mr. ELLIOTT. The manager of the coal mines controlled by the Northern Pacific in Montana and Washington, at my request made a trip to San Francisco to look up certain matters. He wrote me from San Francisco that they were selling coal at $14.25 a ton, and they were having just as much difficulty in that section, if not more, than we were having in Montana and the States of Washington and Idaho; that miners were very scarce there and it was hard to get men to bring into our section, and some of those coal mines could not produce more than 60 to 70 per cent of their total capacity. Our mines, such as we were operating ourselves, were producing very close, I think, to 100 per cent, and some of them up to 90 per cent. I think that was about the minimum output at some of the others.

Mr. BUNN. The Northern Pacific has mines in the State of Montana and in the State of Washington?

Mr. ELLIOTT. Yes, sir.

Mr. BUNN. And you have been a seller of coal to the public from those mines, have you not?

Mr. ELLIOTT. Yes, sir.

Mr. BUNN. What bearing upon the coal supply, if any, is the recent act of Congress having, which forbids railroad companies, after the 1st of May, 1908, from selling coal and other commodities?

Mr. ELLIOTT. Unless more coal mines are opened up in the State of Montana, that State has got to go a long distance to get coal. It will have to go to British Columbia or to the Head of the Lakes and draw coal that way. The same thing is true of the State of Washington. It may have to go to Iowa or Illinois.

Commissioner LANE. That law is not yet in effect.

Mr. ELLIOTT. No.

Commissioner LANE. And yet you asked in September for leave to put in a low tariff to carry coal from the Head of the Lakes out to Montana?

Mr. ELLIOTT. Yes, sir.

Commissioner LANE. On less than thirty days' notice.

Mr. ELLIOTT. Yes, sir.

Commissioner LANE. So that reason does not apply at this time?

Mr. ELLIOTT. No. The State of Montana over there in that country has a very large amount of coal, but in Butte and their own territory they need that coal. We have brought much less into Butte than ever before, and therefore that Butte market has to be supplied from other sources.

Commissioner LANE. The reasons, if I remember, that were given to the Commission, were that the strike in the British Columbia mines?

Mr. ELLIOTT. I do not know that that applied at Butte, but we were compelled at places west of Butte in Montana to get out coal.

Commissioner LANE. Is there any reason why the Northern Pacific or any railroad can not operate coal lands to produce its own coals, under the Hepburn Act, after May 1?

Mr. ELLIOTT. Not a bit.

Commissioner LANE. You can save for yourself an unlim ted extent of coal and get it out of the Montana mines if you have the coal there?

Mr. ELLIOTT. Yes, sir; if we can get miners enough to take care of ourselves.

Commissioner LANE. If you have additional property there you can, I suppose, dispose of that mining property to others who can develop it and get out the coal and ship it over your line or any other line?

Mr. ELLIOTT. We could, but possibly we would want to save it for the use of the railroad.

Commissioner LANE. Of course, if you wanted to do that, then the provision of the act would make no difference.

Mr. ELLIOTT. Not a bit. The only effect of the act will be that if we have a surplus of output from the present mines—more than the railroad needs—the act will prevent us from selling to the general public.

Commissioner LANE. I do not suppose it would prevent you from selling coal at the mine.

Mr. ELLIOTT. I do not know, as that is a legal proposition. I have never asked the question, because it is a long way off until 1908.

Commissioner LANE. It is not to be suggested that there is any serious embarrassment in the Northwest as to the coal situation because of the provisions of the Hepburn Act, which goes into effect very nearly a year from now?

Mr. BUNN. I did not mean to suggest it at all.

Commissioner LANE. I am glad it was not so.

Mr. BUNN. Have you had any trouble about getting laborers for the railroad work for the last year?

Mr. ELLIOTT. We have a great deal of trouble in getting laborers for this new construction work, to complete some of these railroads, and wages have gone up very largely.

Mr. BUNN. There has been some trouble to build double tracks and for construction in the yards?

Mr. ELLIOTT. Double tracks, roundhouses, and trouble to keep the yards open. We have shortage in machinists and skilled people, and also a great shortage in car repairers. At one time we had, I should say, very nearly 10 per cent—8 per cent—of our freight-car capacity in bad order, which is a very high percentage. That is down to 4 per cent now.

Mr. BUNN. Did shortage of labor delay any improvement work?

Mr. ELLIOTT. It has delayed finishing what we call the divisional terminal here in Dilworth, and it has caused delay in connection with the growth of the business of the east end of the road. We hoped that terminal would be done the 1st of February, but it will be several months yet; and the principal cause for the delay is shortage of labor and some shortage of material. We are also making many minor improvements, like small side tracks and little changes in buildings—things that are necessary, first for the economy of transportation over the road, and second for better facilities at stations. Many of those minor improvements have been delayed through lack of labor and material.

Mr. BUNN. It might be of interest, and I will ask you if you are prepared to state what the Northern Pacific has expended in the last five or six years for improvements and new rolling stock, engines, and so forth?

Mr. ELLIOTT. I have the figures. For the year ending June 30, 1903, we expended for real estate, new branches, second tracks, new equipment, and improvements to the existing lines—that is, like side tracks, round houses, etc.—$10,536,000; for the year ending June 30, 1904, $8,886,000; for the year ending June 30, 1905, $6,943,000; for the year ending June 30, 1906, $6,941,000.

Mr. BUNN. What would have been expended if you could have gotten the labor?

Mr. ELLIOTT. A great deal more. We have on our books now (the book that we call "Authorized"), being actively pushed as hard as we can push it—and this does not take in some of the items mentioned when I said we had a total of $74,400,000 under consideration—we have $32,672,000, of which there is still to spend $18,626,000.

Commissioner LANE. That is your appropriation at the beginning of this year?

Mr. ELLIOTT. Yes, sir.

Mr. BUNN. How much of that did you fail to spend because of your inability to get labor?

Mr. ELLIOTT. That would be a hard question to answer, Mr. Bunn. I should say, frankly, quite a little of it we have not been able to do because of lack of labor—possibly 25 per cent. You understand, in the $18,000,000 is included a lot of equipment, and the delay in our getting equipment from the equipment companies is due to the lack of labor on their account, the same way as our own. They can not get the steel from the steel mills, and they can not get the steel in shape to

make the locomotive equipment. The shortage works all along the line.

Commissioner HARLAN. Was that all to have been expended in this year?

Mr. ELLIOTT. We hoped so; yes, sir

Mr. BUNN. That is all.

Commissioner LANE. The Commission is in receipt of a large number of communications from chambers of commerce and commercial bodies throughout the country, suggesting what they call reciprocal demurrage. The consignee now can hold a car a certain length of time, and if that car is not unloaded within that length of time—generally forty-eight hours—he is charged a certain amount per day as demurrage. It is suggested by these business men that to remedy delays in the delivery of cars there should be something in the nature of reciprocal demurrage; that when they ask for a car a reasonable time shall be allowed the company, the shippers shall be required to deposit with the company the amount that the tariff calls for on the car from the point of origin to the point of destination upon that particular shipment, and that a certain length of time shall be allowed for that railroad company to deliver that car, and that if the railroad company does not deliver that car at that time then there shall be a certain amount charged—the railroad shall pay to the shipper a certain amount of money. Now, that is suggested as a possible remedy for what is often called "car shortage"—the delinquincy on the part of the railroad in furnishing the shipper with the transportation that he demands and needs. As a practical railroad man, and the president of a railroad, I would like to have your judgment and criticism, if you have any to make, upon that plan.

Mr. ELLIOTT. I do not believe, Mr. Commissioner, that would be a wise plan. The railroad, to begin with, is owned by people who are very anxious to do the maximum amount of business. They are straining every nerve to do that. They are raising all the money they can to increase their facilities to do the maximum amount of business. Now, you penalize them, in the way you propose for failure to provide something in the future, and instead of doing good it seems to me you would do harm. It is entirely a different thing from penalizing a shipper for failure to handle a car promptly that is given to him, because if he handles a given car promptly that helps the next shipper, and the next, and the next, and the railroad——

Mr. BUNN (interrupting). Do you put the penalty or demurrage on any car to the shipper for the purpose of making money or simply for the purpose of trying to get that car unloaded promptly, and pass it on to the next shipper?

Mr. ELLIOTT. Simply for the purpose of trying to get that car unloaded and pass it on to the next shipper; in other words, increasing the total number of cars of the company. You can not make the railroads buy equipment any faster than they are buying it to-day. They are doing everything they can to increase their facilities and get more cars. The car works, every one of them, are taxed to death. It would simply be an arbitrary rule placed upon the railroads, and it would not do a bit of good.

Commissioner LANE. Would you think it was fair if the railroads were penalized for taking an unreasonable length of time in the trans-

portation of a car? Now, the great body of the testimony we have here, for instance—I am illustrating by this—goes to show it takes ten days and often more to transport a car 250 miles from the point of origin to the point of destination. Suppose that the railroads were allowed a reasonable time, and then were penalized for delay beyond that, excepting where they could show that the delay was not their fault; would that be a fair kind of a rule?

Mr. ELLIOTT. It does not seem so to me; no, sir.

Commissioner LANE. The car is delivered, in that case, into your hands by the shipper. The objection that obtains in the other case does not obtain here.

Mr. ELLIOTT. If there could be shown neglect on the part of the railroads to provide for the future, possibly some spur of that sort would help, but nearly every railroad in this country is doing everything it possibly can to increase its facilities. The railroads of the country are spending their money as fast as they can get labor and material, and to introduce another arbitrary restriction, it would simply, to my mind, make it still more difficult to move the commerce of the country. That is what we want to do—move the maximum amount of commerce.

Commissioner LANE. We do not want to embarrass the railroads in any manner. I think that is the sentiment of the people of the country. They do not feel a desire in any way to embarrass the railroads, but are anxious that something should be done that might, if it was practicable, prompt the railroads to more prompt attention to their business as carriers; and it has been testified by Mr. Midgley, whose reports you know very well, that other methods should be devised by the railroads themselves for handling equipment they already have by which a considerable part of this car shortage could be avoided. If the railroads themselves have not developed their methods, the suggestion is that it is necessary to have some prompting given them, some interest established, by which they will do it.

Mr. ELLIOTT. Mr. Commissioner, the greatest interest in that which can be suggested to the railroads is their own desire to get the maximum use out of their property. I think the railroads, and all other men are always anxious to get the best use that can be made——

Commissioner LANE. I am speaking of those who are——

Mr. ELLIOTT (interrupting). When I say the best use, I mean to move the maximum of tonnage, which is the best use you can make of a railroad to move the commerce adjacent to its lines. We make some mistakes, and we are going to progress. I do not believe this reciprocal demurrage or this penalty for slow time would make the railroads work any harder to try to improve the situation. That is my personal opinion.

Commissioner LANE. That is all.

Mr. MARBLE. Mr. Elliott, do you mean exactly what you say, when you say that the railroads are trying to move the greatest amount of tonnage?

Mr. ELLIOTT. The great amount of commerce of the country.

Mr. MARBLE. Now, some people have the understanding that the railroads are trying to move the tonnage which will show the greatest amount of profit to the railroads, and that if an increase in facilities would be at the expense of profits, even though there might still re-

main a fair profit, they do not make the increase, but leave their service at the point where it will give them the greatest possible profits. Is that understanding correct?

Mr. ELLIOTT. I do not know what some people think, but I do not think that.

Mr. MARBLE. Do you increase your service to-day at the cost of cutting into your profits, or do you move tonnage in the way that it will show the greatest profits on the tonnage that you move?

Mr. ELLIOTT. We do not pick and choose our tonnage. We try to handle all that is offered. If there is too much offered to handle it all, we try to handle a proportion of every kind.

Mr. MARBLE. Do you know any way, by increasing your expenditures somewhat, to move more tonnage and show a smaller profit to your road but a better service to the public?

Mr. ELLIOTT. I do not.

Mr. MARBLE. Did you mean to say that the railroad companies own all the coal properties in Montana?

Mr. ELLIOTT. Oh, no, not at all.

Mr. MARBLE. There are coal mines there that they do not own?

Mr. ELLIOTT. There has been very little coal produced in Montana successfully, except by railroad companies, I am sorry to say. There is not a very large output from general mines.

Mr. MARBLE. What is the matter with the general mines?

Mr. ELLIOTT. I could not tell you.

Mr. MARBLE. Have the railroads all the good coal land, then?

Mr. ELLIOTT. No.

Mr. MARBLE. Have they all the coal land with transportation facilities?

Mr. ELLIOTT No.

Mr. MARBLE. Are they the only ones that know how to mine coal?

Mr. ELLIOTT. I do not know. There has been a good deal of difficulty with a number of public mines. What the reasons are I do not know.

Mr. MARBLE. The railroads do not own all the coal.

Mr. ELLIOTT. Oh, no. There is a very large amount of coal in Montana that can be opened up. Some of it has been withdrawn from entry, now, by order of the Government. There is a good deal there still, if investors choose to go in and open it up.

Mr. BUNN. Do you not find that the sentiment in Montana, among the people, regardless of statements to the contrary, that the railroads have got to continue furnishing them coal?

Mr. ELLIOTT. There is a very strong feeling that way. We notified the trade generally in eastern Washington and Idaho, which gets its supply from our mines on the east slope of the Cascade Mountains, that the growth of the railroad business this year was so great that a very large proportion of our output would have to be taken for locomotive fuel, and we asked those people to try and get a good coal elsewhere; we gave them that notice about the 10th of June, and in spite of that they have had great difficulty in getting coal elsewhere, and we have gone on furnishing to them to the best of our ability from our own mines, although at times it has caused us to be very short of engine coal, because the growth of our business has been so great between Puget Sound and Spokane. They would like to have us go on and open more mines and supply them with coal.

Commissioner LANE. There is not any discouragement that anyone suffers in opening up a mine on the line of your railroad similar to the discouragements that we developed in the hearings in regard to the Union Pacific, is there?

Mr. ELLIOTT. I have not followed the testimony in the Union Pacific case, Mr. Commissioner, but we have said to everyone who talked coal to us that we would be more than pleased if they would open coal mines on our lines, and that we would give them a fair share of cars. We would, of course, have to supply our own mines with cars for engine fuel first, but after that we would give them cars for commercial trade just as liberally—give them cars just as freely as we could, and save our own coal for engine fuel, and a few mines are being opened up, but not many.

Commissioner LANE. If you should go out of that commercial coal business, do you not think that it might prompt individuals to go along the line of your road and open up coal mines?

Mr. ELLIOTT. We hope so, and that is one of the reasons we are gradually withdrawing from the commercial trade, so that we can say to people "We want to get out of this and we will leave the field to you, and would be pleased to have you take it."

(The witness was excused.)

JAMES J. HILL, called as a witness, and, being duly sworn, was examined and testified as follows:

Mr. MARBLE. Mr. Hill, you reside in St. Paul, Minn.?

Mr. HILL. Yes, sir.

Mr. MARBLE. You are president of the Great Northern Railroad?

Mr. HILL. Yes, sir.

Mr. MARBLE. Are you prepared to say now that the transportation situation along your railway, and particularly in North Dakota, will be more satisfactory to the people during the next crop year than it has been this?

Mr. HILL. Very much more satisfactory; yes, sir.

Mr. MARBLE. You feel confident that you can make that statement and that promise?

Mr. HILL. I will give you what it is based upon.

Mr. MARBLE. And that was what I was going to ask for. Upon what do you base that promise?

Mr. HILL. Where the traffic is the heaviest—I brought a small map. I do not want to cumber you, but I will show you right here, if I may.

We started in last spring to build from a point called Aneta to Devils Lake. That would give an alternate line from Devils Lake to Minneapolis and St. Paul; it would be practically another railway, and nearly equal to a double track. We started in also to build a double track westward also from Devils Lake to Rugby Junction.

Commissioner HARLAN. What State is that in?

Mr. HILL. North Dakota. Now, owing to the scarcity of labor and material, but principally labor, that was not finished; and while we have been pushing that line as hard as we could we only got to within 12 miles of Devils Lake. We expected to have it completed to Devils Lake on the 1st of September, before the crop movement, and it was not a difficult job, but the men were not to be had.

Of course, when harvest comes, the railways expect the farmers to take the labor from the tracks or from the railway to take care

of their crops. For years we have made it a rule to carry all we can into the country as our workmen in the spring, expecting that the farmers will hire them away as quick as they get there, and it is necessary that they should. This year we employed as far as we could, and took a great many Italians. We could not hold them, although we were paying $2 and $2.50 a day for Italian labor. We could not hold them and we could not complete that line and the double-track work.

Now, we will have that line completed early in the spring. It is ballasted and ready for operation about to the end of the track. Then we will complete the double tracking from Devils Lake west to Rugby. That will take care of the additional movement. It ought to be equal, for that portion of the country, to three or four times our present capacity. On the double track it would four times. East of Devils Lake it would be three times the capacity that we now have. Then, as to cars and equipment. We have provided a very large equipment, but the growth of this country has been such—and I would like to call the attention of the honorable Commission to this point—there is no place in the United States or in the history of this country where the growth has been as great in twenty-five years as it has along the line of the Great Northern Railway, and I have got the figures here.

Now, I want to go back. Take it in 1883, we carried 341,539,997 tons 1 mile; in 1888,—that is five-year periods—562,531,432; 1893, 1,093,692,312; in 1898, 1,937,955,894; in 1903, 3,606,835,176. It has almost doubled from 1893 to 1903—almost just about doubled. Now, in 1906 from 3,606,835,176 to 4,933,530,997.

Now, during the same period I will give the number of engines and the number of cars. From June 30, 1901, to June 30, 1902, we increased from 476 engines to 511, or 9.76 per cent. From June 30, 1902 to 1903, 35 engines, 18.04 per cent; from June 30, 1903, to June 30, 1904, 75 engines, 17.16 per cent; from 1904 to 1905 no new engines, for the simple reason that the traffic fell off about 2,000,000 tons owing to the crop failure. June 30, 1905 to 1906, 82 engines, 14.89 per cent; June 30, to December 1, 1906, 120 engines, or 21.37 per cent. That is the increase.

Commissioner HARLAN. Mr. Hill, can you give me the figures from 1898 to 1903 what percentage of increase was in your traction power, and from 1903 to 1906 what the percentage of increase was?

Mr. HILL. The number would be 277.

Commissioner HARLAN. Are you speaking of the whole?

Mr. HILL. From 1903 to 1906.

Commissioner HARLAN. Two hundred and seventy-seven?

Mr. HILL. Would be the number, or about 14 per cent.

Commissioner HARLAN. Now, in that time, the number of your ton miles increased over 33⅓ per cent.

Mr. HILL. The number of tons we moved—you can have the ton miles or the tons actually moved. I have got both. The actual tons moved 1 mile—I will give first one and then the other. In 1903, 16,148,673; 1904, 14,245,129; 1905, 17,535,789; 1906, 19,236,092. Now, the percentage of increase in 1903 was 21.99; the decrease in 1904 was 11.787 per cent; 1905, increase 23.10 per cent; 1906, increase 9.69 per cent.

Commissioner HARLAN. You gave some figures originally which, as I understand it, were the number of tons carried 1 mile?

Mr. HILL. I will give the number of tons. I have got them in the same statement.

Commissioner HARLAN. These are the figures: 1903, 3,006,000,000; 1906, 4,933,000,000.

Mr. HILL. 1906, 4,933,530,000.

Commissioner HARLAN. Now, then, is not your proportion of increase in the ton miles carried very much larger than your proportion of increase in your traction power?

Mr. HILL. I will give it exactly. I think not. The engine power increase was about 14, and the tonnage increase average was $12\frac{1}{10}$.

Commissioner HARLAN. The tonnage increase average was $12\frac{1}{10}$?

Mr. HILL. Yes, sir.

Commissioner HARLAN. During what years?

Mr. HILL. From 1903 to 1906, as far as we have gone in 1906. Now, the cars——

Commissioner LANE (interrupting). You mean that increase is not from year to year, but from 1903 to 1906?

Mr. HILL. Yes, sir; I have taken the average from 1903 to 1906.

Commissioner LANE. Well, you do not mean that the 14 per cent was an increase in the average traction power from year to year—you mean that that is an absolute increase?

Mr. HILL. Well, it is an average increase; 14 per cent for that time.

Commissioner LANE. Fourteen per cent per year?

Mr. HILL. Per year; yes, sir. And the other 12.06 per year growth of tonnage.

Commissioner LANE. Do you mean 14 per cent per year means 77 locomotives?

Mr. HILL. That will be 77. The statement is here in detail.

Commissioner LANE. You will file this statement?

Mr. HILL. Yes, I brought this to file.

Now, as to the cars: June 30, 1901, we had of freight cars, 23,217; on June 30, 1902, 25,217; added 2,000, with a capacity of 12.71. That is the capacity of the cars. June 30, 1902, to June 30, 1903, we added 3,482, a capacity, or increase in capacity, of 21.75 per cent. June 30, 1903, to June 30, 1904, we added 2,365 cars, with a capacity of 10.97 per cent increase; 1905 we added 503 cars, or 2.27 per cent. That is the year where there was a falling off of about 2,000,000 tons actual freight; 1905 we added 2,219 cars, or 10.41 per cent; 1905 to 1906, 5,897, or 27.49 per cent.

Now, tonnage: In 1907 we have 150 locomotives ordered. Last year we had 95 new ones, but 5 of them were double locomotives, 300,000 pounds on the drivers, for use over heavy mountain grades; we have ordered 4,000 large capacity, 85,000 pounds capacity, box cars; one thousand 100,000-pounds capacity ore cars, and we are placing a further order for an additional 1,000.

Now, in doing that, with the additional track that is the equivalent of a second railroad from Devils Lake, a double track from there west covering the branch lines, some six or seven of them, we shall be in shape. We should have had it this year, if it had been possible to do it. We could not finish it. We could not get the men. Absolutely could not get them, or could not keep them. I think it is safe to say we carried out west this year 15,000 men, and never had at one time of that 15,000 over 3,000 or 4,000 at work. I do not think we ever had

4,000 at work at one time, and the difficulty of securing labor to do the work is a difficulty that this country has to meet.

Commissioner LANE. Do you think that that excuses the failure to move cars over two hundred and fifty miles in a shorter time, or less than fifteen days or twelve days or ten days?

Mr. HILL. There is no excuse for not moving cars, Mr. Commissioner, if they can be moved. I suppose that almost 90 per cent of the cars move without delay, without unreasonable delay, to maybe five or ten per cent that are subject to unreasonable delay.

Commissioner LANE. Well, Mr. Hill, your own men have testified here that it took ten days to take a freight train 250 miles, and that that was a reasonable time, passing through two division points?

Mr. HILL. Now, I will take a year ago the 30th of June, when our business was not as heavy as it is now. Our average time from here to the coast on all classes of freight, 2,000 miles, was less than nine days—was less than nine days.

Commissioner HARLAN. What was the car movement per day?

Mr. HILL. On the whole system?

Commissioner HARLAN. Yes.

Mr. HILL. It has grown less every year. On one division, on the Mesaba, where we have control of the unloading ourselves, we get about from 75 to 80 miles a day. I think the whole system would average about 26 to 28 miles a day.

Now we have (I was going on to say) ordered locomotives and cars enough, if we have the facilities, if we can get rid of them at terminals; I mean, when I say at terminals, at connecting roads. Each railroad's business is not confined to itself. We load a car at some point on the Great Northern and it may be destined to New Orleans or New York. Take a car from the Pacific Coast with lumber; it might go to Portland, Maine, or Wilmington, Delaware. That is very common, and if we can not let our car go through, that man can not ship. He has got an order, and he complains that he does not get a car, and we let our cars go through. I know last year, about this time, I think it was—about the 12th of December—we were sending cars to a point in southern Illinois for coal for our own use, and they were loaded from Minnesota with flour as far as Chicago. When they got to Chicago the connecting lines there east of Chicago had no cars to which they could be transferred. They telegraphed back and recommended us and urged us to let our cars go through, and the other roads could get them back in less time than it would for one road to unload them in Chicago. We consented that they should go through, and in March, I think, between the 10th and 12th of March, or months afterwards, they had not got a hundred miles out of Chicago.

I was getting some inside fittings and furniture for a house in New York the other day from Boston. It took so long that I told the man to ship it by water; ship it around by the metropolitan steamer. He did, some of it, but he had some bedding—some mattresses. I left New York on Sunday, and on Saturday the man was down to the room to see me—I was confined to the room with a cold—and he said that the mattresses had left Boston on the 12th of November and had not reached New York on the 16th of December.

Commissioner LANE. Now, as a shipper, Mr. Hill, what remedy would you suggest?

Mr. HILL. I have a suggestion.

Commissioner LANE. We would be glad to hear it.

Mr. HILL. I have the suggestion, but people may differ. There is no subject that is of such cardinal importance as the one you are dealing with to-day. Every day, from now on until it is solved, its importance will become greater and greater. The commerce of this country and its growth and its business is against a stone wall so high they can not see the top of it. No man can see the top of it to-day. I have looked everywhere; turned everywhere to see what can be done.

Now, I undertake to say, and I base it on this: In 1870 we had 52,898 miles of railroad; in 1880 we had 93,671. We increased 40,773, or an annual increase of 7.7 per cent. From 1880 to 1890 increased 7.46 per cent. From 1890 to 1904 we increased 2.19 per cent. From 1904 to 1906 we have increased 2.8 per cent, or 1.4 per cent per annum. And during that time—your own Commission's figures show—that from 1895 to 1905, the business of the country, the tons moved, increased 10 per cent. The new miles increased 20 per cent in ten years, or 2 per cent per annum. But of that 20 per cent three-quarters of it was new mileage that was built in new sections of the country that added to the congestion of the old. I have discussed this question with a number of the most intelligent railroad men that I know, have asked them how much additional mileage should be built to absolutely relieve the country from the situation, the situation it is laboring under, the unreasonable delay of freight—there will always be some delay—but unreasonable delay. They put the necessary mileage, some as high as 50 per cent. Well, that is out of the question. But, men who have taken the question and thought about it, and tried to work it out—they have made it anywhere from 25 to 33 per cent.

Commissioner LANE. How will that mileage be used up?

Mr. HILL. That will have to be used up practically all in additional tracks and yards.

Commissioner LANE. Putting in double tracks?

Mr. HILL. Double tracks, or 4 where there are 2. Now, at the present time, it is impossible, if anybody had a ship lying in New York Harbor, it would be impossible for him to get a contract to take 500 carloads from Chicago to New York in four or five weeks to load that ship. If a railroad did give such a contract, the chances are it would fail—fall down and be unable to deliver it.

If 25 per cent of new mileage were to be built, most of it east of the Mississippi River, it would not any more than take care of the existing congestion and the growth. Now, 25 per cent of the new mileage would be 55,000 miles, and if that is to be built in four or five years it would take 11,000 miles a year; but, you would have to add one-third of the mileage for terminal and passing tracks. People think that a double-track road does not need any passing tracks, but when they undertake to operate double tracks without passing tracks they will find that they are in the same trouble that they are in when they try to run too many freight trains over a single track. The number of collisions is greater. The number of collisions of passenger trains and the number of people killed to-day is because there is not mileage in the country over which to move the business.

Add 33 per cent to 55,000 and it makes 73,333 miles. Inasmuch as most of this is main-track mileage, or second or additional tracks

on other lines, before making it permanent heavy reductions in grades and curvatures on existing lines, would be necessary.

Twenty or twenty-five years ago engineers thought if they could get a 1 per cent grade that that would be all right. That was a good railroad, 1 per cent. A 1 per cent railroad to-day is like a harbor in front of a city with a depth of 15 or 18 feet, when the depth of the channel ought to be 30 or 35 feet. It is exactly the same thing. It is just as important to this country that the railroads should be built with low grades and capacity to haul a load, as it is that a ship should have capacity to bring a load.

I have heard here—I have heard it talked a great deal about trying to prove that twice two is one. Now, there is only one way—and no man living can stand up and tell us anything else—there is only one way to handle this business, and that is to have low grades and to have the largest capacity for your cars and your engines. I will undertake—I will show some figures—let me show what we are up against. Now, 73,000 miles additional would be no more than is actually necessary, because I have distributed it over five years, and in five years, if we are to have any growth—if we do not stand still—the allowance is altogether too small. There must be added extensions to terminal yards, and a general increase of equipment and other facilities.

I do not think the new mileage, the new equipment, terminal facilities, and so forth, could be produced for less than $75,000 a mile for main track, which would amount to $5,500,000,000, or a yearly average of $1,100,000,000. Now, that is what is necessary to move this stuff, to move the business of this country and it is not any more than is necessary. But it is 33 per cent or 44 per cent more than the cost of the civil war, and it is more money than the United States can raise; and that is the stone wall we are up against, and foresight does not look forward to get a glance of it. We are up against that until it is solved; until that mileage is furnished this country will suffer and its business will not move. You can lead a horse to water ten times, but you can not make him drink once. You can not get any machine that can bore an inch hole with a half-inch augur, and you can not drive this business through the present facilities, because there is not room enough, and it is getting worse for the reason that it has not room enough. It is more expensive to do the business. It costs the railroads more to do the business when they are moving everything beyond their capacity. The best economy is to have the equipment and facilities properly adjusted to the volume of business, and then keep it moving in a harmonious and useful way. Anything else is wasteful.

Commissioner LANE. Take your own particular road, as to which these complaints have been made. What suggestion would you make as to the improvement of facilities upon that road?

Mr. HILL. Well, we are at work reducing grades and double tracking. We reduced the grade between Breckenridge and Minneapolis, this year, to four-tenths of 1 per cent—21 feet to the mile. It was originally, when I took the road, 1½ per cent. Now we have got it down to four-tenths per cent, and we have extended the double track in that direction. The Northern and the Great Northern work two parallel lines between here and St. Cloud as a double track, and that helps. The Northern Pacific has a greater density of traffic

than the Great Northern, a much older road; but the Great Northern, notwithstanding its newness—the Great Northern Railroad—I have taken it and compared it with all the lines running in here.

The Milwaukee and St. Paul—I remember the Milwaukee and St. Paul when I was a boy. They had three thousand five hundred or four thousand miles when we had not that many hundred miles, and we were following the Indians across the plains; but on 6,916 miles they move 4,663,808,007 ton miles, while on 5,906 miles we move 4,933,000,000 ton miles. In other words, their density of traffic as compared with ours is just 80 per cent. Now, they run in a much older and more densely populated country—to Chicago, Milwaukee, and out to Omaha, Kansas City, and so on.

Now, the Chicago and Northwestern, with 7,428 miles—they have 125.77 per cent of our mileage—they move 104 per cent of our tonnage.

The Chicago, Burlington and Quincy, with 8,896 miles, which is 150 per cent of our mileage, they moved 6,347,902,891, or 128 per cent of our tonnage.

The Rock Island, with 122 per cent of mileage, moved 75 per cent of the tonnage. The Rock Island's density of traffic is just 61 per cent of that of the Great Northern. That is, the number of tons moved for 1 mile of each road.

The Soo Line, with 34 per cent, moved 21 per cent, on practically 22.98 of the tonnage. The traffic—that is, the number of tons produced for shipment 1 mile on each mile of road, averaged for the whole year 3,297,169 or 35 per cent of the Great Northern. Now, the Great Northern, with 5,906 miles, moved 4,933,000,000 tons 1 mile, a density of traffic of 835,287 tons.

The Northern Pacific, with 5,401—and I want to pay them the compliment of beating us—the Northern Pacific, with 5,401 miles, or 91 per cent, moved 106 per cent of tons per mile that the Great Northern moved. Their density of traffic is 971,000 ton miles, or 116 per cent of the Great Northern's, or 36 heavier than the Milwaukee and St. Paul.

These are figures which can be figured, and they are not somebody's hearsay. These are the actual figures of what is being done, and the reports are filed under oath.

Now, I want to call attention to a point here. The Milwaukee and St. Paul, while moving 94 per cent of the Great Northern's tonnage, ran 177.71 per cent of the train miles.

The Chicago and Northwestern, to move 104 per cent, or 104.51, to be correct, of the Great Northern tonnage, moved 210, or practically 211, per cent of the train service. They ran a train service equal to a freight train a day round the world for four hundred days in the year. Now, if you think that does not interfere with traffic, if you think that does not take any meeting points, if you think that facilitates business, to waste train service in that manner, take the reports and shake them up and see. They could not move our tonnage, and they have got more double track—I should say 600 miles—and they have to build more, and add more to the expense.

We are building double tracks. We expect to send in in the next two years—I hope we will be able to in two years and a half—and we have just raised $60,000,000, or about raising $60,000,000 for additional facilities, and to do our share of what is necessary. I want to

have it so our road will not be behind when the condition of absolute crash comes, because it will not be a panic; it will be a crash, if it can not be relieved. Men will not produce out of the ground; they will not till the soil, if they can not send their produce to market. I want to be able to get ours to market as far as we can.

Commissioner LANE. The point of your statement is that the railroads of the country have not actually kept up with the growth of the country.

Mr. HILL. Why, sir; they have not kept in sight of it.

Commissioner LANE. Do not see the tail end of the wagon?

Mr. HILL. No, sir; they have not got high enough to get a horizontal view of the question. Why, think of it. We have, from 1903 to 1905—we have added in the two years 1.4 per cent to our main line of railroad, and the Commission's report, which is made up from the statistics furnished by the railroads, as your honorable body knows, shows an increase in the ten years of over 110 per cent and 98 per cent in passenger business. Now, it is just as impossible to do that business, as it is to bore an inch hole with a half-inch auger, and the country does not realize it, but they will and see what they have got to do and what they have got to face. I have not made a high estimate. I have taken the lowest that any intelligent railway man has given me—25 per cent—and that would be only 5 per cent a year for the next five years; and prior to 1890, we averaged from 7.4 to 7.7 per annum. But for the next five years we would average 5 per cent to make up for the lost way and to provide for the increase in the future.

I came from New York. I got out of a sick bed to come here for the purpose of this opportunity to put it fairly before the people through this honorable Commission, to see where they stand, and I beg the Commission, wherever the meetings are held, to investigate along that line and see what the facilities are. I know one man said it was more cars he wanted. Good gracious, if he used his cars as we use ours, he would do 60 per cent more business than he is doing.

I want to show some figures: I brought hastily some figures from the 1st of July to the end of October, inclusive, showing the density of traffic on the Great Northern Railway, and I may say that for the purpose of comparison I will take the Lake Shore and Michigan Southern. They have a double track, and they have a very level road, and they have increased their train loads from about 200 in ten years—from about 244 tons to the train—I am speaking from recollection entirely—from 240 to 600. They are now about up to 600, but they have increased their density of traffic tons moved one mile for each mile of road to 3,000,000 a year. The New York Central and Hudson River shows its 2,000,000 a year with four tracks. The Pennsylvania, the Pennsylvania, that is, from Pittsburg to Philadelphia, they show 5,374,000. These figures are from Poor's Manual of capital statistics for 1906.

On the Mesaba division, which runs from Cass Lake to the head of Lake Superior, 295 miles of road, in July, the Great Northern moved 498,126 ton miles, average for the whole division, or practically 6,000,000 a year—more than the Pennsylvania runs from Pittsburg to Philadelphia. But in order to do that, let us see what we moved. We averaged 1,306.20 tons to the train, and there was no blockade. On the Superior division, running from here to Lake Superior, the density for that month was 140,000. That would be

1,680,516 for the year on a single track from here to the head of the lake, against 2,000,000 on the New York Central, averaged for the twelve months on the four tracks.

Now, I wish an opportunity—I will take the time of the Commission—if the Commission desires, I will give them these figures.

The Mesaba division in October moved 580,507 ton-miles for each mile of road, 295 miles. One hundred and fifteen of that and a large amount of the freight was iron ore, and, as I said before, we controlled the unloading. The cars were ours, and if there was any delay, it was our delay. We got from 75 to 80 miles a day out of those cars. The train load was 1,406.72; the average carload was 39 tons, and I will undertake to say that never in the whole world has the same amount of track moved the same tonnage or approached it. The nearest approach will be on the Bessemer road, hauling Bessemer ore from Conneaut to Pittsburg. The Superior division ran 226,299; that is from here to Lake Superior. That would be at the rate of 2,715,588 mile-tons per annum, or right close up to the average of the Lake Shore with double track. They are 3,000,000.

Commissioner LANE. Can you file the remainder of those figures with us, Mr. Hill? Are they in such shape that you can do that?

Mr. HILL. I brought them especially for that purpose, and everything is here—the different increases in our business and the manner in which we do it is condensed as far as we could. These figures, from which I have been reading, are current sheets in our office. I just took them out of the book, and I undertake to verify every figure that is here. They are absolutely correct and not any guesses or hearsay in them.

I would like to show this: Take the Montana division, running from Havre to Williston. For July the average was 152,530 tons to the mile of road, single track; over 1,800,000 for the year—close to the average of the New York Central with four tracks. In October it was 145,031. The Montana Central runs over three ranges of mountains—the Bitter Root, Crow Creek, and the other, the main range. In 70 miles that road crosses two ranges of mountains, with maximum grade of 116 feet, or 2.2. Notwithstanding, their average train load was 681 tons. They moved on an average for that month—that is, the month of October—110,798 tons one mile for each mile of road, notwithstanding they have these enormous grades. They handle very heavy traffic.

Commissioner LANE. Mr. Marble, have you any further questions?

Mr. MARBLE. Mr. Hill, are you acquainted with the plan now being proposed by J. W. Midgley, of Chicago, in these circular letters he has sent out?

Mr. HILL. I have known Mr. Midgley for a great many years, and I contributed to keep Mr. Midgley at work for a number of years on the question of interchange of cars, but the whole thing fell down. Mr. Midgley was a bright and capable man twenty years ago.

Mr. MARBLE. Do you agree with his present plan?

Mr. HILL. I have never seen it. I think he sent it to me, but I have been busy and have spent all the time that I have had to give.

Commissioner HARLAN. Mr. Hill, he has a plan which he calls a car exchange and clearing house. At the end of the month his plan is to have an adjustment between the roads, and where a road gives a connecting road a car the car must be returned, and if the returns are

not equal at the end of the month, the difference is to be adjusted in a money value. I understand his view to be that that will provide or result in a more equal circulation of cars, as well as prevent this seizure of cars by roads who are not well equipped. Have you looked into that at all or thought of it?

Mr. HILL. It has been sent to me, sir.

Commissioner HARLAN. What do you think of it?

Mr. HILL. I do not think there is anything in it at all, and I will tell you why. Now, when there is a scarcity of cars, and they have a periodical or monthly settlement, it is not going to relieve us a particle to get 50 cents a day for cars that we would give $5 a day to have. Each railroad must have its own. We have sent our cars to Boston, for instance, and then sent a man after them to find them, and we found them hauling ice from Maine down to Boston, having been in that service for months and months. I found our box cars last spring hauling ties into Savannah, Ga. Now, that car started from here for St. Louis, to be returned.

The car thief is the worst kind of a thief. Thieves are all bad, but I think the car thief is the worst.

Commissioner LANE. There was some testimony here to-day indicating that you had your own cars and more, too?

Mr. MARBLE. You are about 3,000 cars to the good at the present time?

Mr. HILL. We do not keep a man's car on our road, and there is an order on our road that as fast as that car can be unloaded it must be returned. People are sending cotton from the South and manufactured goods from all over the country, everything, from here to Puget Sound, and I should say that 2,000 cars would be a very small proportion of foreign cars on our road; but I should feel very much grieved if our men kept those foreign cars in local service.

Mr. MARBLE. Well, would it not be a good idea to make it legitimate and lawful and proper to keep them by some car clearing house?

Mr. HILL. No, sir. You would have to pay for keeping them.

Mr. MARBLE. Why not? If they are worth $5 a day, why not pay $5 a day?

Mr. HILL. Yes; but no car is worth $5 a day to go from here to the coast with cotton. It will not pay. The total receipts will not be over two dollars and a half.

Mr. MARBLE. I thought you said they were worth $5 a day a moment ago?

Mr. HILL. I said we would be glad to have cars at $5 a day at that time, but they would be off on somebody's else road, and they would want to pay fifty cents a day. Since the 1st of December the per diem charge has been raised from twenty-five to fifty cents, and I think that will go very far toward curing the evil. I would like to see it a dollar. The thing that probably would be the best if it could be done would be a transfer. If a car comes from the east have it transferred.

Commissioner HARLAN. You mean going over your own rails?

Mr. HILL. Transfer that car to our car and take it from here to its destination.

Commissioner HARLAN. Would that not be an expense in transportation?

Mr. HILL. I think it would be very much less than the mileage that is paid. It would only be a bagatelle as compared with the mileage, but the average shipper thinks that if he has to change cars he is ruined.

Mr. MARBLE. Mr. Hill, as we are to interview Mr. Midgley at Chicago, I want to read a couple of lines from his circular letter No. 59, sent from Chicago on December 10, 1906, in which he says: "Assuredly Mr. E. H. Harriman and Mr. J. J. Hill could put firmly on its feet a car clearing house whenever they chose to take the initiative; and it is gratifying to be able to say those gentlemen cordially favor such a course." Is that statement on the part of Mr. Midgley an incorrect statement?

Mr. HILL. I am afraid it is. I don't know what Mr. Harriman's feelings are in the matter, but I can answer for myself.

Mr. MARBLE. In the change some years ago from a mileage payment for diverted cars to a per diem payment, did or did not Mr. Midgley take a prominent part?

Mr. HILL. Mr. Midgley was an employee of a number of railroads, of which ours was one, and for two reasons——

Mr. MARBLE (interrupting). I just want to know if he did have part in that and then I will ask you another question.

Mr. HILL. Yes, sir; he did have part in that to some extent.

Mr. MARBLE. Was Mr. Midgley at all an agent or factor in bringing that change about?

Mr. HILL. Not that I know of.

Mr. MARBLE. Have you followed these letters he has been printing for this central association this summer and distributing among the railroads?

Mr. HILL. I have received some communications from him, but I have been so busy and they were so long I had not the time to read them.

Mr. MARBLE. Now, if you had read Mr. Midgley's communication of May 17, 1906, you would have found this passage:

> With the prospect of a harvest unsurpassed in our history, the demand for cars in a few months is likely to exceed the ability, under present methods and car service rules, to satisfactorily meet."

So that, at that time, he foretold this?

Mr. HILL. Anybody could foretell it. That is not a matter that requires any forethought. Anybody in the business that had any gumption at all would know that.

Mr. MARBLE. That is only one quotation from this gentleman and here is another one. After referring to the argument of Mr. Stuyvesant Fish, of the Illinois Central, who was undertaking to show that the increase in equipment and capacity to move freight had kept pace, so far as his road (the Illinois Central) was concerned, with the growth of the country, Mr. Midgley makes this statement: "This sustains the contention that the increase in motive power and in car capacity has kept pace with the marvelous growth of tonnage offered for transportation."

I will also state that Mr. Midgley has told me that very many railroad men agree with him that the present inability to give service is due to bad methods of car interchange. Now, you have stated very clearly what your view is on that point. Do you know whether or

not there is a difference of opinion among operating railroad officials in this country on that point?

Mr. HILL. I think if you should take men who were brought up in making tariffs—whose experience has been in making tariffs—I have always found that they were very generous with the company's cars, and apt to be with the company's rates.

Mr. MARBLE. That has happened?

Mr. HILL. Yes; and money. But as an operating man, who actually knows, and has to know, I never found one yet.

Mr. MARBLE. You say they are all of the opinion, the experienced operating men that you have here stated?

Mr. HILL. I think so. I never found one who disagreed.

Mr. MARBLE. Do you know whether or not it is a fact that some five or six or seven years ago a great number of railroads followed this tonnage plan, which I understand you have the credit of inventing and initiating, and a number of them found that it occasioned such dissatisfaction to their patrons that they had to abandon it and move all their trains by the old methods. Do you know whether that is true?

Mr. HILL. I know this. I know it is very difficult to get a railroad man anywhere who can load his cars—who appreciates the importance of loading a car and loading the engine with loaded cars. Now, I will try and clear your mind, because I think it needs it. I beg your pardon, nothing meant, except this, that the tendency of your questions, as I have listened to them, led me to believe that if your ideas were carried out the country would be so much worse off.

Mr. MARBLE. Understand me, Mr. Hill, I have tried to make my questions such that the answers would give completely the opinion of the railroad people in this country. The record will depend upon the answers they give, not upon my questions.

Mr. HILL. I will just aid you right here, and illustrate—take a car that weighs 35,000 or 36,000 pounds and half load it or quarter load it. Now, we commenced, we found that the cars loaded from the country station to St. Paul averaged 5,000 to 6,000 pounds, and the capacity of those cars was 60,000. The company hauled 18 tons of car and blocked its railroad with 40 feet of car to move 6,000 pounds. By paying close attention to the loading of that car we have got it up to 18,000 pounds, and I think now at the Minnesota transfer probably higher than 18,000.

We have not handled anything like the number of cars that we had to before to do the same amount of business. We do not block the side tracks, we do not block the railroad. It is the same thing as having a one-horse wagon and a delivery cart to haul brick. Now, you could haul brick with one horse and a cart, but it would be very expensive and it would be very slow work.

I do not think you need any further illustration than the one I have given to show that where we have 15 miles of double track out of 295 miles, total, that we move over 6,000,000 ton miles and there is no delay, and we move 1,300 tons to the train—average 1,300 to 1,400. I will give you some figures right here——

Mr. MARBLE. You will pardon me, Mr. Hlll, but you are doing everything except answer my question

Mr. HILL. I thought I was. What is your question?

Mr. MARBLE. It is just this: Do you know whether or not, following your teaching and example, and under the control of men educated to your ideas, a number of railroads in competitive territory some years ago did adopt this method, and in competitive territory found that it gave such dissatisfaction to their patrons that they had to lighten their trains to expedite movement? Do you know whether or not this is true?

Mr. HILL. I never heard of its being true. I have heard of this: I have heard of men coming and occupying a room in our building to study and see what we were doing. We gave them all the information we could. Then they would go off and try it for six months and they could not do it. They were like that doctor who "could cure fits." Now, they could not do it; and they go back to their old methods.

Mr. MARBLE. Then they have attempted to adopt it and have given it up; a number of railroads?

Mr. HILL. They have attempted to adopt it and failed because they did not know how. There can be nothing better to illustrate that than this case right here, to move 104 per cent of our tonnage with 211 per cent of the trains we run.

Mr. BEGG. The object of your loading your cars and loading your engines as near to capacity as possible on your line is not for the mere purpose of making tonnage per train, but for the purpose of moving your traffic?

Mr. HILL. Moving the traffic.

Mr. BEGG. You have got to do it to get the traffic over your line?

Mr. HILL. The trains that are delayed the most, our train sheets will show, are the ones that have the lightest load.

Mr. MARBLE. Well, do you think the cars push the engines along?

Mr. HILL. No, sir; not at all. I never thought that.

Mr. MARBLE. Well, what would be the difficulty with the light trains?

Mr. HILL. Because they are way trains.

Mr. MARBLE. Because they are stopping to do work along the road?

Mr. HILL. Yes, sir.

Commissioner LANE. The Great Northern has notified us that as to the coal deficiency at Parker they have already cared for that, and at Ojata they would have a car to-morrow. At Finley they had 6 cars of coal; Cando has had 4 cars of coal and 4 of wood; Glenburn has had 4 cars of wood. With the exception of the stations on the Northern Pacific, which I understand from Mr. Elliott have been taken care of, those are all the stations that have been referred to us where there is an actual and immediate necessity for coal.

Mr. HILL. Just one word as a part of my testimony. I took occasion to find out what was on the Great Northern, loaded with coal, on the way west from the head of Lake Superior. There are something over 2,000 cars of commercial coal—enough coal to run the people until, I should say, the middle of February or the 1st of March.

Commissioner LANE. Did you have it distributed?

Mr. HILL. We can not distribute it; but we have hauled up to the 1st of December—we have hauled about 86,000 tons more commercial coal this year than we did last, notwithstanding all this trouble.

Commissioner LANE. You will keep your eye on this situation?

Mr. HILL. No one is deeper interested in it than I am.

Mr. BEGG. You are and have been making every effort. I want you to state to the Commission what the reasons are which have, in your opinion, led to this peculiar condition in the north—the exceptional circumstances this year which you think will not tend to produce it in another year?

Mr. HILL. I would say in reply to that—and speaking especially of the conditions applying to the Great Northern Railway this year, which ordinarily do not apply—that the biggest single factor in our failure to give better service to the people in North Dakota has been the strike in the coal mines in British Columbia. That cut off from our engine-coal supply between 1,700 and 2,000 tons of coal per day, for a little over two months, and that deficiency had to be supplied.

Commissioner LANE. Is your ordinary supply 1,700 tons a day?

Mr. HILL. From that mine?

Commissioner LANE. From that mine?

Mr. HILL. Yes, sir. And that quantity of coal had to be moved from other sources of supply. We got 200 or 300 tons additional from mines on the Pacific coast west of the Cascade Mountains, and we got two or three hundred tons a day from mines in Montana; but the great bulk of the shortage had to be made up from our supply at the head of the Lakes, and the result of that was that instead of empty cars to move from the head of the Lakes direct into the wheat fields, where they could be turned and brought back again, we were compelled to send them to the coal docks; and they had to move much farther west and be unloaded and then moved to where they could be made available for the grain loading.

Commissioner LANE. Do they come back loaded with something as fast as unloaded?

Mr. HILL. Some cases they did; in some cases we moved empties also unloaded from points in Montana to the Pacific coast, and they came back loaded with lumber and forest products.

Commissioner LANE. So that the wheat fields do not get them?

Mr. HILL. They did in part; and part comes back empty in the wheat fields, and part of them were loaded with forest products for those wheat fields, and then they got into the wheat fields. In addition, of course, to the much larger amount of company coal, there was the very heavy movement of commercial coal. The farming community in North Dakota has made a good deal of progress, and they are burning, per head of population, very much more coal than they have ever done before. Another temporary and local condition is this—that quite a number of stations, which ordinarily do not receive one pound of coal over our rails, because they mine coal from the lignite mines in their near vicinity, have been unable to team coal from those mines to the towns, and suddenly called upon us for coal, and they have placed orders which have not up to this time been filled.

Mr. BEGG. Is not Ojata one of those?

Mr. HILL. No.

Mr. BEGG. What one of the towns we heard from as having coal shortage was in that class?

Mr. HILL. Minot is a case where very little coal is ever shipped. Minot is surrounded by lignite coal mines.

Mr. MARBLE. Are the Washburn mines on your line?

Mr. HILL. No, sir.

Mr. MARBLE. We got word this morning they were in trouble for lack of cars.

Mr. HILL. They are on the Soo lines.

Mr. BEGG. The coal situation, the coal strike, and the necessity for loading coal ourselves is one of the special things.

Mr. HILL. That has been the largest single item.

Mr. BEGG. Has there not been an exceptionally heavy loading of merchandise and other commodities west?

Mr. HILL. Yes, sir; the general westbound movement has been exceptionally heavy.

Commissioner LANE. What explanation have you to give for the length of time required for moving a car? I have been three days trying to get the question answered as to why it takes ten days to move a car 250 miles.

Mr. HILL. Mr. Commissioner, I do not think your idea is correct that the Great Northern men testified that it took that long.

Commissioner LANE. I am not saying the Great Northern men say so.

Mr. HILL. The slow movement is not in the last 250 miles. It has been in the movement from the loading point up to, say, 400 miles from the head of the lakes; and after we pass that point there is a pretty good movement, so far as we have been able to get the business into the terminal. The terminal itself has been congested, but the railway between the terminal and Larrimore has not been congested. There is no difficulty—but west of Larrimore, on account of our inability to complete that cutoff between Anita and Devils Lake there has been congestion. Our Devils Lake yard, for instance, has not been sufficient to properly take care of the business, because we do not count on getting relief from that line. That is new country to us; and in that territory there has been a delay in getting the car from the point of loading to the point where our facilities are sufficient. There has been, as I think the testimony of our superintendents, Mr. Philbin, Mr. Bell, and Mr. Bowen showed, a good, prompt movement into and across their divisions.

Mr. BEGG. A large part of the delayed cars is in terminals, is it not?

Mr. HILL. Yes, sir.

Mr. BEGG. How many switch engines have you in Minneapolis?

Mr. HILL. Thirty-three or thirty-four engines in St. Paul and Minneapolis.

Mr. BEGG. How many freight engines are on the Willmar and Fergus Falls division, bringing freight into the divisions?

Mr. HILL. About 26 or 25.

Mr. BEGG. That is, you have more switch engines—there are more engines in the switching service in the terminals than there are freight engines taking freight to the terminals, and that is a necessary operation?

Mr. HILL. Yes; we find it so. It takes longer to get a car into this terminal and out of it again and on the way back to the wheat fields than it does to move it 500 miles on its way in.

Mr. MARBLE. What proportion of your engines, taking the system, are switch engines?

Mr. HILL. I think about 12 per cent.

Mr. MARBLE. About 12 per cent?

Mr. HILL. Yes.

Mr. BEGG. What other special conditions have there been—what effect had the washout in the West on this situation and how severe were those washouts?

Mr. HILL. The washouts on the main lines at a number of points entirely stopped traffic for just about a week.

Mr. BEGG. That congested the yards, did it?

Mr. HILL. It congested the line, over a great deal of its mileage. Terminals near it, especially, became speedily filled with cars, which backed up clear across the country.

Mr. BEGG. How is the weather?

Mr. HILL. Bad. The worst I have ever seen.

Mr. BEGG. How early did that species of weather set in?

Mr. HILL. Cold weather began to interrupt the movement of trains about the middle of November, and we have had almost continuous stormy weather through most of North Dakota ever since.

Mr. BEGG. Extremely cold?

Mr. HILL. Extremely cold, and with drifting snow.

Mr. BEGG. How cold has it been?

Mr. HILL. We had it yesterday morning, the coldest—38° below zero at Grand Forks—that was day before yesterday. Yesterday morning it was 28° below, with very high wind blowing and drifting snow; and under those conditions it was almost a physical impossibility to move trains. The day before yesterday a train of commercial coal went westbound from Larrimore with twenty cars in it, hauled by three engines. Each one of these engines would, under ordinary conditions, pull sixty cars, and it took three of them to pull twenty.

Mr. BEGG. The weather is very hard on men as well as engines?

Mr. HILL. It is very hard indeed to get men to the point where they will give good service in that extreme weather.

Mr. BEGG. It has also been stated that the greater percentage of the wheat this year has gone.

Mr. HILL. There has been relatively a very heavy amount to the head of the Lakes.

Mr. BEGG. Your total wheat movement is equal to last year, is it not?

Mr. HILL. Just about equal.

Mr. BEGG. A greater portion to the head of the Lakes?

Mr. HILL. Yes, sir.

Mr. BEGG. What has caused the delay in movement to the head of the Lakes? What has been the principal cause locally at the head of the Lakes?

Mr. HILL. The difficulty at the head of the Lakes had been, first, that business, instead of going, as it used to, directly into elevators located on our line, has been ordered shipped and transferred to elevators on the lines of other companies, and we have got to dispose of those cars and switch them to the other companies, and the other company has to take that to the industry at which they are to be unloaded and the cars then have to go to the dock, and, in some cases, through an intermediate line, and then go for loading. So that the movement of cars through the terminal is very much slower. The change in the methods of doing business is quite marked during late years, and particularly this year. There was a time in the early years of our operation at the head of the Lakes when we

got as many as 800 carloads of grain and drew it into Superior and were able to turn them and have them on the way back to the wheat fields in two days, and under the very best conditions now we can not turn them in six days.

Mr. BEGG. In addition to that have your yards been taxed?

Mr. HILL. Very severely taxed.

Mr. BEGG. You had planned to enlarge those yards?

Mr. HILL. We have thought to enlarge them.

Mr. BEGG. Impossible to do it?

Mr. HILL. Impossible.

Mr. BEGG. For what reason?

Mr. HILL. On account of both shortage of material and labor.

Mr. WARD. What is the average freight car movement on the Great Northern—miles per day?

Mr. HILL. It is about 28 miles per car per day.

Mr. WARD. How does that compare with freight car movement on other roads with which you are familiar?

Mr. HILL. I have not got statistics at hand for other roads, although I have seen from time to time in railway reports statistics that indicate that that mileage is very much greater than it is on lines east of us. I have seen the figures of one or two roads. I think the Northern Pacific are almost the same as ours, perhaps a very little less.

Mr. WARD. Our average has decreased?

Mr. HILL. Our average has decreased a great deal and it has dropped very much the last two or three years.

Mr. WARD. Explain that.

Mr. HILL. It is very largely because the cars are loaded in both directions to a very much greater extent than it used to be. We have business going both east and west, and when in past years it ran in one direction only, and the only thing we had to do on the arrival of a car at the terminal was to place it at the unloading point, and receive it as an empty and send it out. In the case of cars destined to industries on our line, we have a large per cent that goes to other lines for loading, and are delayed there. They get their loads on other lines. In some cases they are unloaded on one line and have to be moved empty to still another line and get their load there, and all those things tend to make the movement through the terminals very lethargic.

Mr. WARD. And, of course, you have two loadings and two unloadings?

Mr. HILL. On the other end; a car going to a given point to be immediately loaded with grain and gets loaded with coal or some other commodity and loses two or more days before it is prepared to receive a load of grain.

Mr. WARD. That is all.

(The witness was excused.)

Commissioner LANE. We will now take an adjournment at this time until to-morrow morning at 10 o'clock at the United States court room in Chicago.

(Thereupon at 2.20 o'clock the Commission adjourned.)

UNITED STATES COURT ROOM,
Chicago, Ill., December 20, 1906—10.10 a. m.

Commissioner LANE. Gentlemen, may I have your attention?

This hearing of the Interstate Commerce Commission is a continuance of the hearing that was held during the fore part of this week in Minneapolis. It relates to the general subject of car shortage, the lack of facilities for transportation of freight. We desire to enter at this time into the conditions and practices respecting the movement of freight which obtain in this section, to search for the reasons therefor and which tend to justify or condemn the same. We wish to know whether the shipper or the consignee is in whole or in part to blame, either in the methods of delivering or receiving of freight, or whether the fault lies with the carriers because of either their indifference to public entreaty, their lack of foresight in providing necessary equipment or terminal facilities, or their too great regard for interests not wholly compatible with the most efficient transportation service. We wish to know how far whatever delinquencies there are may be excused because of the crop and business conditions. It is the further desire of the Commission to discover whether undesirable conditions, if resulting from railroad methods, are such as can be remedied by the carriers themselves, and whether such is their determination, as evidenced by policies already adopted and immediately contemplated, or whether it shall be necessary to advise legislation by Congress which will insure, as well as may be, against the recurrence of such public calamity as arises from so-called car shortage.

The present hearing will therefore proceed to develop answers to the following questions:

1. What are the real conditions respecting the movement of freight in this section?

2. Is there a shortage of freight cars or locomotives on the roads serving this territory; and, if so, what has been done to overcome such shortage?

3. Is proper and profitable use made of all cars and locomotives available?

4. Are trains so made up and operated as to best serve the interests of the public?

5. Is it within the power of the railroads to remedy the present trouble and insure, by adopting other methods of handling and interchanging cars, against their continuance?

6. What legislation, if any, would serve to induce more prompt handling of freight by both railroads, shippers, and consignees?

Mr. John H. Marble will act as attorney for the Commission and we will be pleased to hear from anyone, shipper or railroad man, who desires to present any views relating to this general subject. It is an investigation begun upon the initiative of the Commission itself, and we wish to have as full information as possible.

Mr. Marble, you may proceed.

Mr. MARBLE. If the Commission please, here is some correspondence that has come into my hands since the close of the Minneapolis session last night, which I will put into the record at this time.

The first comes from the Northwestern Retail Coal Dealers Association, of Minneapolis, Minn., and is signed by G. H. Reeves, secretary and treasurer, and says:

"For your information I inclose you herewith copies of letters from Mr. Fred J. Kruse, Lamoure, N. Dak." In connection with that here is a letter from Lamoure, N. Dak., December 17, 1906, addressed to Mr. Geo. Reeves, which says that N. P. car 45932, from Superior, shipped November 30, 1906, had not yet arrived, and N. P. 32491, from Lehigh Valley Coal Company, shipped December 8, 1906, had not yet arrived. The letter also says that Lamoure has not had a freight from the east since the 12th instant, and that it has had a passenger coming over the road every day. The residents of Lamoure do not see why the railroad does not run a freight, for none of the dealers have a bit of fuel.

I wish this to be put in and marked "Exhibit No. 1."

(The same is admitted in evidence and marked "Exhibit No. 1—Marble.")

Here is another letter from Mr. E. E. Heiner, of the St. Paul and Western Coal Company, who was on the stand at Minneapolis and promised to furnish correspondence relating to delayed shipments. He sends in letters relating to two cars. One is from Fargo, N. Dak., saying that they are in straits for fuel. This letter is written under date of the 14th instant. It says they have been wiring for car N. P. 34325, shipped on December 3. The other is from Pleasant Lake, N. Dak., and is of the same general nature.

(The same is admitted in evidence and marked "Exhibit No. 2—Marble.")

Here is a souvenir postal card from McClusky, N. Dak., showing cattle in a pen awaiting cars. There is an accompanying letter of explanation to the effect that the picture shows 91 head of cattle in the little stock yard at McClusky, N. Dak., on December 11. The writer says that they are the property of George Hecker, who lives 20 miles back in the country, and who drove them in on the morning of December 7, expecting to find waiting the cars he had arranged for two weeks earlier. There was no place in town to put the cattle but the stock pen, and they remained from Friday morning until the following Wednesday morning (December 7 to 12) without shelter, with the mercury ranging as low as 26°. The local station agent wired repeatedly to Jamestown, the headquarters, but got no reply, and finally sent a verbal message down the road to the freight crew begging them to come for the cattle. On Wednesday they were taken to Carrington, a distance of 63 miles. Here they waited on the siding until after 5 p. m., reaching Jamestown about 11 p. m. The cattle had then stood in the car seventeen hours, and been carried just 107 miles. Following that is a statement of the grain situation, which I will not stop to read.

(Same is admitted and marked "Exhibit No. 3—Marble.")

Here is another from Lisbon, N. Dak., of December 14, and the writers say that last week they had to loan coal by the sack out of the small supply they had on hand for the mill to keep people from freezing. They shipped from there on October 12 car No. 9288, and this car arrived in Duluth on the 27th of November. Then, on the 27th of October car No. 33733 left there and arrived at Duluth on the 27th of November. They say they have an elevator at Englevale, and have not been able to get a single car of soft coal there all fall, although they have standing orders with two coal companies to ship as fast as possible since the 1st of October.

I ask that this be marked as an exhibit.

(The same is admitted in evidence and marked "Exhibit No. 4—Marble.")

Here is another from Sorenson's Elevator at Medbery, N. Dak., containing a statement to the same general effect which I will ask be marked as exhibit.

(The same is admitted in evidence and marked "Exhibit No. 5—Marble.")

Here is a letter from the Farmers' Co-operative Elevator Company, of Oriska, N. Dak., dated December 14, 1906, and they state that the number of cars shipped up to December 14, 1905, was 68, and to the corresponding date this year it is only 31. Their house has been closed practically since the 1st of October. Since that time they have had an occasional car and then have been closed for a week or more. They took a record of car 38086, loaded with flax, on November 12. It arrived at Duluth November 28 to be unloaded, and was unloaded December 3, and the difference in the November and December options caused 7 cents per bushel loss. Cars loaded there are left for some time before being taken away, and practically all cars that have been received there have been received since Thanksgiving Day—have been unloaded there. He says that possibly there might have been an empty sent in there, but that he does not know of it.

(Same is received in evidence and marked "Exhibit No. 6—Marble.")

Here is another from the State Bank, of Lisbon, N. Dak., sent by Harley S. Grover, cashier, which incloses a copy of a letter from a farmer who has been asked to pay his note. This farmer says:

I promised to send you some money as soon as we quit plowing. We have quit and hauled some wheat to Verona. It is standing on the wagons in Verona for about ten days. We can't get room in the elevators or get cars.

Yours, truly,

THOS. GAUGHAN.

(Same is received in evidence and marked "Exhibit No. 7—Marble.")

Here are other letters from gentlemen of Clifford, N. Dak., stating that their town has lost at least $25,000 worth of business this fall on account of the elevators being full to the roof more than half of the time. They say that they have lost 40,000 bushels of grain that has gone to other points on account of the shortage of cars. From September 1, 1905, to December 1, 1905, they shipped out 150 cars of grain. From September 1, 1906, to December 1, 1906, they have shipped out 75 cars of grain, just one-half as many as last year in the same length of time, and during that period of three months last year they were blocked a good share of the time.

(The same is received in evidence and marked "Exhibit No. 8—Marble.")

I have a letter here from the secretary of the Iowa Grain Dealers' Association, with a mass of figures which he has compiled, showing the situation in his territory.

I ask that this letter be marked as an exhibit.

(The same is received in evidence and marked "Exhibit No. 9—Marble.")

Here is a letter from New Rockford, N. Dak. They say that they have suffered heavy losses by not getting cars at that point and that

they have fewer cars this year than last year. I ask that this be made an exhibit.

(Same is received in evidence and marked "Exhibit No. 10—Marble.")

W. B. BIDDLE, called as a witness, was duly sworn and testified as follows:

Mr. MARBLE. You reside in the city of Chicago?

Mr. BIDDLE. Yes, sir.

Mr. MARBLE. And you are an official of the Rock Island Railroad?

Mr. BIDDLE. Yes, sir.

Mr. MARBLE. And your office is what?

Mr. BIDDLE. Third vice-president.

Mr. MARBLE. And you are in charge of traffic?

Mr. BIDDLE. Traffic and a good many affairs of the company; yes, sir.

Mr. MARBLE. Has your road had difficulty this fall in furnishing cars to your customers?

Mr. BIDDLE. Yes, sir.

Mr. MARBLE. Have you had difficulty in moving cars after they were loaded?

Mr. BIDDLE. Yes, sir.

Mr. MARBLE. Has that been inability to start the car, or slowness after being started, or both?

Mr. BIDDLE. It has been, to a very great extent, inability to move the car to start with.

Mr. MARBLE. Inability to get it on a train?

Mr. BIDDLE. I do not mean by that any shortage of motive power, but the situation in our territory is more a congestion than it is a car shortage. I do not mean by that that there is not and has not been for a considerable period a shortage of cars in the sense that we could not furnish promptly all equipment ordered, but on the other hand the conditions have been such in a very large section of our territory that it was more of a congestion and an inability to dispose of the cars already loaded than a case of actual shortage of cars.

Mr. MARBLE. Was that because of any actual shortage of motive power?

Mr. BIDDLE. No shortage of motive power.

Mr. MARBLE. The railroads centering in Chicago have had a good deal of trouble through having their cars used as warehouses, have they not?

Mr. BIDDLE. Yes, sir; a good deal.

Mr. MARBLE. A good many cars have been used for storage in the city of Chicago?

Mr. BIDDLE. Yes, sir.

Mr. MARBLE. And the roads suffered from that?

Mr. BIDDLE. Yes, sir.

Mr. MARBLE. I wish you would give us your views as to that.

Mr. BIDDLE. Well, the conditions at the large terminals that result in this trouble are numerous. In the first place, there are many cases where the facilities are inadequate, both on the part of the railroads and also on the part of the shippers. Neither, perhaps, have kept pace with the increase in business. The railroads have

made strides in that direction both in the way of increased equipment, motive power, and facilities, and have, perhaps, done all they could do in the last few years in that direction. The facilities that the shippers use, in my judgment, have not kept pace with the increase in their business, and I doubt if they have increased and improved in anything like the rate that facilities have offered by the railroads.

Commissioner LANE. What kind of facilities do you mean?

Mr. BIDDLE. I mean facilities for unloading and handling business.

Commissioner LANE. Such as what?

Mr. BIDDLE. Well, warehouses. On the other hand, there is a very large class of business at all the terminals to handle on team tracks, and conditions, competitive or otherwise, have grown up on the railroads under which excessive time is allowed for handling of that business. For instance, you take certain shipments. There are a certain number of free days' time allowed for disposition—additional time allowed for unloading after disposition is given—and the consequence is that the cars stand on the team tracks here for weeks at a time.

Commissioner LANE. And have you got power to remedy that yourself?

Mr. BIDDLE. Well, I suppose that we have. I suppose that we could arbitrarily say that a car must be unloaded, say, within twenty-four or forty-eight hours after it is placed on tracks at the industry, if not placed in storage, but there are several conditions that work against that. In the first place, it is a condition that has grown and which the railroads are themselves responsible for, possibly—perhaps as much as anyone—in granting the privilege. In the second place, take a commodity like hay, and I question if you would be able to find storage capacity in the city of Chicago for any volume of freight of that character. In addition to that, there must be a constant controversy with the shipper over the demand for storage charges when it lies too long.

In the matter of coal, as high as seven days free time has been granted. That has largely been remedied in the last thirty or sixty days by the railroads taking arbitrary action and notifying coal dealers that they would not allow more than four days free time.

Commissioner HARLAN. What do you mean by seven days free time? Does that mean that the public has the privilege of that free time and that it is published in the tariffs?

Mr. BIDDLE. It is published under the same conditions—that is, it has been since August 28. Prior to that time we granted, I think, without any publication, and it was a general rule understood and known by everybody.

Commissioner LANE. Could you get the railroads to unite? I understand the difficulty between competitive lines is that one line will give a privilege and then the others must?

Mr. BIDDLE. That is a question that has been discussed among the railroads as all matters are. I do not think any general understanding has been reached, but some railroads have taken arbitrary action and have notified the patrons that regardless of the effect on their business they would reduce this free time.

You take it in the matter of lumber shipments. In the movement of lumber, conditions have grown up under which lumber originating in lumber sections will be stopped in transit, for diversion or

reconsignment. I think, perhaps, in a great many cases it has grown out of the fact that in purchasing lumber the shipments from the manufacturers start out in transit, and the fellow will put on some fictitious destination with the idea, if possible, of deceiving either the purchaser or the seller of the goods. This has, in a way at least under these conditions, largely accounted for the four to six or seven days for the car going to the market and the number of days that the lumber shipments are being handled that the cars are not moving. Then, additional time is allowed for unloading, and all of this is done without any penalty so far as demurrage or car service is concerned. The same is true with the grain business; grain consigned to large cities—Chicago and Kansas City—is allowed so many days for disposition. Additional time is allowed here at some elevator or industry or mill, and additional time for unloading, all of which is the result of competitive conditions that have existed and in which an excessive free time has been given on these large commodities which represent a very large percentage of the total business handled by the western roads.

Those things are all wrong, in our judgment. That is, an excessive free time has been allowed and we are making an attempt either by conference with other lines or individually in many cases—by individual and arbitrary action—to get away from that as far as we can and reduce it to what we consider a reasonable time.

Then, on the other hand, the shipper and handler says that these are conditions that we have created ourselves and maintained for ten or fifteen years, and that we have no arbitrary right to change them, and a good deal of dissatisfaction has been caused on that account.

Commissioner LANE. It would be a protection to you if there were somebody that had power to fix that time?

Mr. RIDDLE. We have the power ourselves and, in my judgment, we will simply have to exercise it and grant what we consider reasonable time, and if the shipper can show that is not right and proper, we will have to change it. I think it is to our interest to do that.

Commissioner LANE. I think there is no question of that.

Mr. BIDDLE. I think simply because of fearing the loss of business and stress of competition that we have been lax in handling these matters. Now, speaking for ourselves alone, we have a very peculiar condition in the Southwest. Both the Rock Island and the Frisco lines are what might be termed producing lines. They produce a great deal more business on their lines than they can furnish a market for. There is coal, cotton, lumber, and grain. Consequently, if we load all the stuff on our lines that seeks a destination off of our lines, we do not get an income of cars enough to compensate us for the cars we have to furnish for outbound business. Take it in Oklahoma and Indian Territory, where I consider the situation more serious than anywhere else. I think it is perhaps safe to say that 85 per cent of the business originating in that territory seeks an outlet by way of the Gulf ports—Galveston and New Orleans—especially Galveston, because that is the port they are nearest to. The rate adjustment is favorable, because the roads naturally tend to send business that way.

Up to about, I should say, the middle of August, we let our cars be loaded freely out west on the line for destinations generally, and about the 1st of September we discovered that our equipment was

rapidly leaving us— leaving our rails and we were not getting equipment in place of it, or anything like equal to it. So we were obliged to say that we would not allow cars to be loaded for points beyond our rails. That was protection to ourselves and the people located on our lines; but the result of that was, of course, as anticipated, that everyone lost money and they said that their business does not find a market, and they can not handle their business. This was equivalent to an embargo, and consequently we sent one of our officials to Galveston, to confer with the other lines reaching that port. We received their assurances that they would be able to handle the cars promptly, release them, and return them to us empty with reasonable dispatch. In consequence of that we raised the embargo, you might say. We had, about the 1st of October, I should say, removed these restrictions. On the 10th or 12th—about ten or twelve days later—we received advices from those very railroad officials in Texas, stating that they found conditions such that they could not make good the promise to us unless we were willing to have cars very seriously delayed. They advised us that they were not able to handle the cars at Galveston. Therefore, we found that there was nothing left to do except to renew the conditions and the instructions we had given previously.

In my opinion, we had sent down about 2,000 cars by way of Galveston, loaded with all sorts of commodities—grain, flour, cotton, etc., and at the time I started east, about ten days ago—I just returned yesterday—we had not, up to that time, been able to make delivery to connections at Galveston of all the cars there. The result was that we had loaded cars standing upon all the side tracks—congested terminals interfering with our handling of our general business—and we have got cars of stuff on our line loaded with grain and commodities of that character which are not perishable; and then there are commodities which would be more or less damaged if held too long. Perhaps some of them have been on the way sixty days loaded, and we have not been able to get rid of them. The last advices I had were that there were several thousand cars in the city of Galveston unable to be handled, that the yards were full, and that the vacant lots were all piled up with cotton, and that the side tracks north of there were filled with loaded cars.

Commissioner LANE. That situation at Galveston is due to deficiency of terminal facilities, is it not, according to your advices?

Mr. BIDDLE. I think, perhaps a combination of circumstances—I have not been down to Galveston during this congestion, but I think it might be attributed, perhaps, to insufficient terminal facilities, and the tremendous and unexpected amount of business on the lines south of Fort Worth, and possibly in some measure to interferences with vessels arriving. If the vessels are delayed and don't get in there, an accumulation results before they get in and the carloads congest, and consequently it adds a great deal to the difficulty of handling that. I do not know from my own personal knowledge what the causes are that have led up to this. I have no doubt but that the terminals at Galveston are insufficient.

Commissioner LANE. We have a telegram stating that there are forty-five vessels in the harbor waiting to be loaded, and that they can not get to the wharves because they have not got the facilities there.

Mr. BIDDLE. I can readily see how part of the trouble occurs down there, particularly in the handling of cotton. That is a very large commodity and a very important factor, and that is one of the difficulties, inability to handle it promptly. For instance, it is scattered all around in different lots and they become separated, and I suppose it results in a great deal of detention and delay in properly loading and making delivery to the vessels. We have had trouble at various points on the line, but a very large per cent of it I believe is attributable to the causes I have stated. Of course, with the tremendous amount of business that there is in the country to-day no railroad would be able to handle every bit of the business offered, as there are not facilities that you could provide, in my judgment, in the way of cars, engines, terminals, sufficient to enable you to do that, and then, too, there are the weather conditions, and the conditions of the road, and all that sort of thing that may have a bearing on it, I think.

Sometimes congestions result from inability of people to get their freight in regularly, and then time is consumed in switching. But I do not believe that there will ever be a time, with any facilities that the railroad could provide, that you could always, every day, take daily practically every shipment offered, but I do think that the present conditions can be very materially improved.

Commissioner HARLAN. You think that if the industries of the country grow in the next few years as rapidly as they have in the last few years, that conditions are likely to get worse than better?

Mr. BIDDLE. Well, I think that there are likely to be serious congestions for some time to come.

You take the question of the manner in which the business is handled by very large industries. I was told by a representative of the United States Steel Corporation the other day that they had every available foot of ground around their plant piled up with manufactured commodities. That is owing to the fact that they have not facilities—adequate facilities—for storage, and it is not their custom to store this business. It has been their custom to manufacture to fill orders, and, so far as possible, to run the manufactured articles right out and load the business right there immediately on the cars. That prevents any congestion so long as the equipment is always available to take care of the business, but if there were two thousand tons of rails and the carriers were unable to furnish cars at Pittsburg or some other territory of their manufacture, they might expect their eastern connections to furnish it as long as the cars were in their territory. Then, if the cars are not there the rails must be piled on the ground. That is true of any number of manufactures of all kinds.

Commissioner LANE. That is something that could not be remedied by a larger supply of cars on the part of the railroads.

Mr. BIDDLE. Not quite. We have on the Rock Island Railroad in round numbers about 37,000 cars, on the last report I saw. Those figures vary from day to day. About 40 to 45 per cent of that equipment is off of our rails. Now, we of course have foreign cars on our line to overcome a part of that disability, but not to the extent that our cars are out of our territory.

Commissioner HARLAN. How many locomotives have you?

Mr. BIDDLE. That I could not tell you.

Commissioner HARLAN. Is there anyone here who can?

Mr. BIDDLE. I will see that you are furnished with that information. I do not think there is anyone in the room that has it.

Commissioner HARLAN. Do you know what the number of new cars has been that were purchased this last year?

Mr. BIDDLE. Well, we have purchased, I think—we have had orders for about 7,500 new cars, but not all of them are yet delivered.

Commissioner HARLAN. What provisions have you made for next year?

Mr. BIDDLE. We have, I think, about 5,000 cars ordered. I think all we have been able to place. I do not know.

Commissioner HARLAN. There is some trouble in getting deliveries?

Mr. BIDDLE. Oh, yes, sir. In fact the car companies are all behind. They are behind on deliveries to us. I do not know of any additional car that could be ordered, or a greater number of locomotives during the last five years—perhaps we might have ordered more, but I mean the incapacity of the car manufacturing concerns of this country to supply them. Their capacity has been kept, so far as I know, during the last five years up to the maximum, and I think that an order placed for locomotives or freight cars to-day could not be filled inside of eight, nine, or ten months.

Commissioner LANE. You do not find any great pressure on the line excepting that cars are taken off and held elsewhere? You have a sufficient number of cars to handle the traffic on your line, have you not, if you could get the cars back? I understand that to be the your testimony.

Mr. BIDDLE. I would not say that exactly. I think that if cars could be handled regularly in good faith, we could take care of the business in pretty fair shape with the cars and locomotives we have got. We are adding to them. We have ordered additional cars in past years equal to about 10 per cent per year. We have added that in the way of new equipment.

Commissioner HARLAN. What have done in the way of new construction—new sidings, etc.?

Mr. BIDDLE. That work is being carried on all the time.

Commissioner HARLAN. Do you know what proportion of that has been anticipated for the coming year?

Mr. BIDDLE. No; I do not.

Commissioner HARLAN. Mr. Biddle, could you not furnish a statement commencing with 1901, showing cars and locomotive equipment at that time, and showing the percentage of increase for each year as compared with the percentage of increase of the total tonnage?

Mr. BIDDLE. I will be very glad to give you the information, and any more that you may want.

Commissioner HARLAN. I think it might be well also to furnish a statement of the appropriations for betterments and additions to track facilities and terminal facilities.

Mr. BIDDLE. I do not think there is any objection to that whatever. I will ask the president to give me that information or send it to you himself.

I just want to say one thing more to your Commission, and that is this. So far as our road is concerned, I believe it is true that while this condition is bad, I believe we have done all we could do in the way of meeting conditions. For instance, if we had a serious short-

age of cars, as you will have at any time in some localities, in Dakota, or Iowa, or Minnesota, we have hauled the cars 500 and 1,000 miles to take care of that particular business, and relieved the elevators which were congested to allow them to handle the business, with full knowledge that perhaps later on we would have to haul that same equipment back to the territory that we brought it from when we took it away.

We have retired from some traffic absolutely and voluntarily. We have declined for six months to put a single car into export grain business through Galveston or other ports, from Kansas City, Atchison, Leavenworth, or Omaha, for the reason that there were other lines that reached from those markets through those ports.

Another reason for refusing this business was that the cars get beyond our control when they leave our rails, and although you will say that we have foreign cars for those, we are unable to get enough to do anything like as much in the direction of taking care of local shippers who are entirely dependent on us for transportation facilities as we should be able to do with the equipment we own. That has not been entirely unselfish, as you might say, because it was done with full knowledge that if we did engage in this export business from very large terminals like Kansas City and other Missouri River points we would lose our equipment and thereby lose business and revenue, but I think that if we had gone freely into that business we would have had a very much worse condition than we have got to-day so far as the elevator man or the grain man at the local point is concerned. If this had not been the policy of our railroad why of course they would have taken the cars from us. This is forcing them to rely on the other lines. I want to simply say that in adopting that policy we thought it was the best for all concerned.

Without this policy the condition of the elevator men and the grain men at the local points would be far worse than it has been under the policy that we have pursued.

We went frankly to the grain shippers and told them what we proposed to do, and of course they objected very strongly. They said we were forcing them to rely on other lines. We said it was the best policy that could be adopted, and that we were going to resort to it because it was the best for all concerned.

Commissioner LANE. Is it a fair statement of that to say that you have been compelled, by lack of cooperation on the part of other railroads to actually refuse to perform some of the obligations that rest upon you as a common carrier.

Mr. BIDDLE. I do not know that you could say that it was entirely due to lack of cooperation. You have reference, I presume, to our inability to handle the business to Galveston and get the cars back?

Commissioner LANE. Yes; that is what I had in mind.

Mr. BIDDLE. Certainly there has been inability on their part. I do not know that they are in any way to blame for it. I do not know that they could have arranged matters differently in any way at all. They have had their own business to look after, and their own patrons, and it certainly is true that they have been utterly unable to assist us in disposing of this business that I speak of.

There is an order out to-day from these lines down there that they won't receive anything but live stock and perishable freight. This

amounts to an admission from most of the lines that we have to deliver business to at Fort Leavenworth that they can not take any business from us.

Commissioner LANE. What remedy have you got for a condition such as that? Of course, the country will not submit to the continuance of a condition of that kind, and they look first to the railroad men to discover a remedy or some method by which the present condition can be relieved and cured.

Mr. BIDDLE. Well, I think—I can not give you any suggestion, I presume, that would be particularly valuable as to any other line beyond our own, because I am not so familiar with their condition. I am thoroughly satisfied that there is a lack of terminal facilities at Galveston—that the terminal facilities there are entirely inadequate to handle the business to-day. I believe that if that condition were remedied and our connections from Fort Worth south were in better shape to handle this business for us that we would have had no more than the ordinary complaint that you would get at any time during the grain shipping season as to inadequate service. That entire condition, so far as our own line is concerned, in another year will be remedied. We will have our own rails into Galveston by the time that another grain shipping season comes around. What we will have done by that time in the way of terminal facilities of our own there I can not tell you now. I will undertake to give you such information, but I can not do it now.

Mr. MARBLE. Have the elevators, any of them, or any considerable number of them, on your line been blockaded for lack of cars at any time during this crop season?

Mr. BIDDLE. I think, with the exception of the situation that I told you of in Oklahoma, I do not know of any place where it is true to-day. If they have grain in their elevators going to Galveston it has to stay, for we can not furnish all the cars for it, because by doing that we would be simply furnishing cars that we could not get back, and in that manner harming our own shippers. With the exception of early in the season, when a part of the elevators in Dakota on our own line were blockaded—and at that time we hauled cars from Arkansas up there to take care of it—I do not think there has been any serious or protracted congestion that I know of.

Mr. MARBLE. The Oklahoma situation is not so much due to lack of cars, but rather to terminal trouble and diversion trouble?

Mr. BIDDLE. I think so. I think we could have given reasonable service in the handling of that grain business down there if the other roads had been open and the terminal facilities better.

Mr. MARBLE. And the South Dakota people were quickly relieved by the shipment of empties?

Mr. BIDDLE. Yes, sir.

Mr. MARBLE. Have the elevators on your line, except those in Oklahoma, been forced to pile grain on the ground?

Mr. BIDDLE. Well, I have not heard of any. I have heard no complaint of that kind along our line in the Northwest. I have not any doubt whatever that any quantity of grain is stored on the ground in Oklahoma, corn in particular.

Mr. MARBLE. How many foreign cars are on your line?

Mr. BIDDLE. That I can not say, because it is a condition which

changes from day to day, and I have not seen the reports for two weeks. As I say, I have been away.

Mr. MARBLE. You say that the number of your cars that you have lost is greater than the number of foreign cars held by you?

Mr. BIDDLE. Yes, sir.

Mr. MARBLE. Has that increased your difficulties?

Mr. BIDDLE. Oh, yes. That just decreases the equipment that is available to precisely the extent of the difference.

Mr. MARBLE. The reason I ask is that we find the Northern Pacific with about 6,000 more foreign cars than it has lost of its own, and the Great Northern with about 2,000 foreign cars more than it has lost of its own, and they seem to be having more trouble than usual.

Mr. BIDDLE. It is not true with us. We have more cars of our own off of our rails than we have foreign cars on our rails, and that is always true on our line. It is owing to the fact that there is so much of our business that we ourselves produce. We are a producing line, and consequently it is the fact that our cars largely go off our own rails.

Mr. MARBLE. Will you furnish us with a statement, say for two months, showing the number of foreign cars held by you and the number of cars of your own held by other roads?

Mr. BIDDLE. Yes, sir; I will be glad to.

Mr. MARBLE. The car balance sheet, I believe?

Mr. BIDDLE. Yes, sir. What period would you like that to refer to?

Mr. MARBLE. Well, say the last half of this current year, if it is not too much trouble.

Mr. BIDDLE. No; I can give you that.

Mr. MARBLE. How many cars do you say are being used as warehouses in the city of Chicago now?

Mr. BIDDLE. I have not the slightest idea. I could not very well tell you the number of our own cars, because I have not that information.

Mr. MARBLE. Well, is it a great many, enough to be a factor in this difficulty?

Mr. BIDDLE. Oh, yes, indeed.

Mr. MARBLE. A great many?

Mr. BIDDLE. Yes, sir.

Mr. MARBLE. Have you trouble with cars being held at the Atlantic seaports for storage purposes?

Mr. BIDDLE. I do not know as to that. After a car leaves our hands, destined to an eastern road, we do not know anything about its disposition, what disposition is made of it, whether it is in local service or whether held in terminals or what.

Mr. MARBLE. You know that you don't get it back?

Mr. BIDDLE. We simply know that we do not get it back.

Mr. MARBLE. Have the railroad men any remedy in contemplation for that evil of diversion?

Mr. BIDDLE. Not so far as I know, except that the penalty for the detention of foreign cars had been increased by the lines.

Mr. MARBLE. Do you think it has been increased enough, as compared with the value of the car in the busy season, to have any effect?

Mr. BIDDLE. Oh, yes; I think it will have a decided effect.

Mr. MARBLE. Do you think the change from 25 cents to 50 cents will secure the return of the equipment?

Mr. BIDDLE. I do not know that it will secure the return of the equipment in all cases, but I think it will have a decided effect on the situation.

Mr. MARBLE. It will get more money for the use of the car for the road owning it? Is that what you mean?

Mr. BIDDLE. I do not mean that. I think it will result in our cars coming back home with greater expediency than they have heretofore.

Mr. MARBLE. Is your road at all in favor of the remedy of pooling a portion of your equipment with connecting lines?

Mr. BIDDLE. I have not discussed that with our people at all.

Mr. MARBLE. Well, have you an opinion that you care to express?

Mr. BIDDLE. No, I have not; because I have not considered it.

Mr. MARBLE. In busy seasons, when you want to move large tonnage, do you increase the tonnage attached to your engines or reduce it?

Mr. BIDDLE. No; it ought to be about the same. For the purposes of most railroads, on our own lines, at any rate, it is our purpose to give reasonable service. Of course, the engine can carry a less number of tons of live stock or perishable freight per train than it can of grain or coal. The engines are rated, and that rating is not supposed to change with the conditions of heavy or light tonnage, except as the weather conditions force you to reduce your tonnage upon the road.

Mr. MARBLE. Then do I understand you that all the time you load your engines so that they can get over the road without delay?

Mr. BIDDLE. We are supposed to.

Mr. MARBLE. You do not follow the policy of some of the Northwestern roads of extreme tonnage?

Mr. BIDDLE. No, sir; we do not.

Mr. MARBLE. You run on a different plan?

Mr. BIDDLE. We try to get proper results and give adequate service. It does not make any difference to the shipper whether 500 tons or 5,000 tons is hauled by an engine, provided always reasonable time is made, satisfactory time.

Mr. MARBLE. Do you think that you could give better service if you increased the tonnage of your trains from what you are hauling?

Mr. BIDDLE. I do not imagine so. I imagine that our people are striving to get the best results possible and furnish the best service, considering all factors, economy in operation, and so forth.

Mr. MARBLE. Has your road at any time within the last six or seven years tried the policy of increasing the tonnage in order to obtain a greater number of tons per train mile?

Mr. BIDDLE. I could only speak from hearsay about that because I have only been connected with the property for about two years.

Mr. MARBLE. Have you any information that the road did ever do that?

Mr. BIDDLE. I think all the western roads did try that policy, or adopt it sometime ago.

Mr. MARBLE. And abandoned it?

Mr. BIDDLE. Generally speaking, yes.

Mr. MARBLE. They found they could not give as good service to the public?

Mr. BIDDLE. I imagine that was the reason for it.

Mr. MARBLE. They got better results in ton miles per train mile, but the method did not result in as good service? Is that a fair statement?

Mr. BIDDLE. My own judgment is that the best results are obtained both from an operating, and every other standpoint, by not overloading your engine.

Mr. MARBLE. Have you any trouble with the coal situation on your line?

Mr. BIDDLE. Nothing that I know of, except what I have seen in the paper, while I was on my way back from the East. I have not yet had any opportunity to inquire. In reference to some points in southwestern Kansas, I made some inquiry before I came over here, but I did not have an opportunity to inquire further than that, and I do not know of any complaint.

Mr. MARBLE. That is all.

The witness was excused.)

E. W. McKENNA, called as a witness, was duly sworn, and testified as follows:

Mr. MARBLE. Your name is E. W. McKenna?

Mr. McKENNA. Yes, sir.

Mr. MARBLE. You reside in the city of Chicago?

Mr. McKENNA. Yes, sir.

Mr. MARBLE. With what railroad are you connected?

Mr. McKENNA. The Chicago, Milwaukee and St. Paul.

Mr. MARBLE. What office do you hold with that company?

Mr. McKENNA. Second vice-president.

Mr. MARBLE. In charge of operation?

Mr. McKENNA. Yes, sir.

Mr. MARBLE. Is that road short of motive power?

Mr. McKENNA. No, sir.

Mr. MARBLE. Are you at all short of cars?

Mr. McKENNA. The demand for cars is great. It is a demand that varies with our dull and busy seasons. We are short of cars, but not any more than we have been at any time during the rush season in the past twenty years.

I desire to qualify that answer in connection with our motive power. We are short of motive power on some of our divisions for a day or so, but that situation is relieved immediately by obtaining assistance from some other part of the road. As a general rule we are not short of motive power.

Mr. MARBLE. You mean that the system, as a system, is not short of motive power?

Mr. McKENNA. The system is not short of motive power; no, sir.

Mr. MARBLE. You consider, do you not, that you are giving as good service this fall as you have at any time during the last twenty years?

Mr. McKENNA. I think, with the exception of the situation involving the grain crop of the Northwest, that we are giving better average service than before.

Mr. MARBLE. Have the elevators on your line been blocked or out of the market at all this year?

Mr. McKENNA. I do not recollect having any instances of complaints in that respect. It may be possible that immediately after wheat thrashing in Minnesota there may have been some complaint, due to the fact that there was a very large supply immediately after the wheat was harvested, and the movement commenced from three to four weeks later than the average movement. The result of that was that a great number of cars had been accumulated in the grain territory for the purpose of hauling the grain east and those cars, owing to the delay, had to be hauled east empty to take merchandise westbound, and I think for a short time there was a considerable pressure on our elevators, although I do not recall any instances where any of the houses had to be closed up.

Mr. MARBLE. You hauled empties west, and then hauled them away from the grain fields because the crop was not ready?

Mr. McKENNA. We hauled them empty clear from the Missouri River to Chicago and Milwaukee.

Mr. MARBLE. And they went back loaded and brought back grain?

Mr. McKENNA. Came back with grain.

Mr. MARBLE. The situation was quickly relieved?

Mr. McKENNA. Well, it took about two weeks to turn the cars.

Mr. MARBLE. Have you had any trouble in moving cars after they were loaded at any country point?

Mr. McKENNA. No, sir.

Mr. MARBLE. Have you had any trouble with extreme length of time taken in transit over your road?

Mr. McKENNA. Oh, there may have been exceptional instances of an individual car here and there getting out of line, and being delayed; but generally we have had no trouble in moving our traffic, with the exception of some small periods of congestion in connection with our terminals in Chicago. We have had no trouble at Milwaukee, Minneapolis, or our other freight concentrating centers.

Mr. MARBLE. What is the length of your grain haul, made by your road?

Mr. McKENNA. I could not answer that question accurately, but my reccollection is that it would average somewhere between 200 and 400 miles.

Mr. MARBLE. To Chicago or Milwaukee from the west?

Mr. McKENNA. As I say, it would probably average some place between 300 and 400 miles.

Mr. MARBLE. What do you consider a fair time for a loaded car to make the 300 miles after being started from the originating point, considering the delays that you consider fair and normal at the division points, until it is notified to the receiver as being in at the receiving point?

Mr. McKENNA. Such a car should move at the rate of 100 miles per twelve hours.

Mr. MARBLE. One hundred miles per twelve hours, or 200 miles per day?

Mr. McKENNA. Yes, sir; that also includes division-point delays.

Mr. MARBLE. Do you actually give such service?

Mr. McKENNA. I think we closely approximate it on our cars in transit.

Mr. MARBLE. You are not very far short of it?

Mr. McKENNA. I think not. I have never prepared any statistics covering that, except our statistics of train movements, and that averaged from 9 to 15 miles per hour, and we check up our division points each day. Every morning I receive a report of the cars delayed in transit, of any cause, twenty-four or forty-eight hours.

Mr. MARBLE. Do you consider an average of twelve hours' delay at each division point excessive?

Mr. McKENNA. I certainly should.

Commissioner HARLAN. Is that your average daily car movement on all commodities, or just on grain?

Mr. McKENNA. On all commodities. Our stock movement, and high-class merchandise west bound, and meat traffic east, would move much more rapidly than that.

Commissioner LANE. We have testimony from operationg officers before us, to the effect that on grain shipments ten days is a reasonable time, including the passing through terminals, of a car of grain to travel 300 miles.

Mr. McKENNA. Including disposition of the load at the terminal?

Mr. MARBLE. Delay at intermediate division points only is included.

Mr. McKENNA. Well, that is a matter of practice, and of course it varies on different railroads.

Commissioner HARLAN. It would not take you that long on your railroad?

Mr. McKENNA. Very decidedly not.

Mr. MARBLE. Would it in competitive territory?

Mr. McKENNA. I imagine not.

Mr. MARBLE. You would be afraid to try it?

Mr. McKENNA. I think in times like these competition does not cut very much figure, because we are all working just as hard as we can to handle the traffic that is thrust upon us. It is not a matter of going out and seeking business now, it is a matter simply of digesting that which is offered to us.

Mr. MARBLE. How many engines have you?

Mr. McKENNA. I can not answer that question accurately, but I think about 1,100.

Mr. MARBLE. Do you know how many of them are out of service or in the repair shop, or what is called the "back shop?"

Mr. McKENNA. On my last report, according to that 4.2 per cent.

Mr. MARBLE. Is that an extraordinarily low per cent?

Mr. McKENNA. I think it is.

Mr. MARBLE. What would be the normal percentage at this time of the year?

Mr. McKENNA. That is the normal percentage on our railroad. Our shops, however, are equipped to take care of 10 per cent of our equipment.

Mr. MARBLE. How far apart are your shops that can make the ordinary small repairs to an engine?

Mr. McKENNA. We have three principal shops—Milwaukee, 85 miles from here; Minneapolis, 420 miles from here, and Dubuque, about 160 miles from Chicago.

Then, at each of the division points, the shops are equipped with a few light tools, so that they can make the ordinary repairs, the so-called running repairs.

Mr. MARBLE. You are so fixed at each division point as to be able to make the ordinary running repairs?

Mr. MCKENNA. Yes, sir; and those division points would average a very small per cent over 100 miles distant from each other.

Mr. MARBLE. Do you know what percentage of your engines are under repair, including those that are laid up say for twelve hours for light repairs, from day to day?

Mr. MCKENNA. This 4.2 per cent that I speak of covers all locomotives that are out of service for repairs.

Mr. MARBLE. Whether for a long or short time?

Mr. MCKENNA. That includes heavy roundhouse repairs and heavy machine-shop repairs. All of our engines, practically, in all branches of the service are under repair at the end of their runs, to a small extent. Every engine that comes in has more or less work to be done upon it, and there are men there for the purpose of doing it. Sometimes this work may amount to an hour's labor, sometimes two hours, and sometimes it may run into a matter of ten or twelve hours.

Mr. MARBLE. Do you know how many foreign cars are on your line?

Mr. MCKENNA. About 14,000.

Mr. MARBLE. How many of your cars are on other lines?

Mr. MCKENNA. A little less than 14,000.

Mr. MARBLE. A little less than 14,000.

Mr. MCKENNA. The balance, during all this fall, has been in our favor. We have looked to it to see that it was.

Mr. MARBLE. You have taken care of that?

Mr. MCKENNA. Yes, sir; we have.

Mr. MARBLE. Have you any remedy to suggest for car diversion?

Mr. MCKENNA. A number of railroads, one of which was the Chicago, Milwaukee and St. Paul, on the 1st day of December entered into an agreement, known as the diversion agreement. The amount of 25 cents per day for the use of the cars as between railroads—which means 25 cents a day per car as you probably know—was increased to 50 cents per day, with the hope that it would result in the return to each railroad company of its own cars. At this time a number of other railroads have entered into what is known as the "diversion agreement." The effect of the per diem arrangement has practically pooled the cars of the United States.

Under the old rule, a car received from a connecting line, with a load for a point on that railroad, was taken to that point, and then loaded back to the railroad which furnished the car at that point, or an intermediate point, or otherwise it was delivered empty. Under the per diem arrangement the effect was to pool the cars. You are not held to any responsibility for keeping the cars of other lines, and the diversion agreement was entered into for the purpose of stimulating the efforts of railroads to return the cars to the roads which own them. The diversion rule is, that if a car is loaded away from the direction of home there shall be a penalty applied to the railroad which makes that diversion of $5 for that transaction. The rule is that cars must be loaded home or in the direction of home. They may be sent to a point beyond the point at which they are released, to secure a load, but it must be to a point on the home road, or via the home road.

Commissioner HARLAN. You mean it must be sent home or to a point beyond?

Mr. MCKENNA. It may be sent home or to a point beyond the initial road. The matter of checking, that is in a very large degree in the hands of the railroads, because each transfer of a car from one road to another is covered by junction reports which go to the owner of the car. That rule, however, has not now been in effect long enough so that its workings can be thoroughly understood. It is now simply being tried.

Mr. MARBLE. Is this penalty of $5 which you mention for the single transaction, or is it $5 per day?

Mr. MCKENNA. Five dollars for the transaction.

Mr. MARBLE. Do you think that is large enough, in the busy season of the year, to have any effect?

Mr. MCKENNA. We are very much "up in the air" about that. We do not know how it is going to work out. A number of roads went into it—the Pennsylvania lines east and west of Pittsburg, the Erie, the Baltimore and Ohio, and the Chicago, Milwaukee and St. Paul, which, I believe, is the only road in the West that went into it.

Mr. MARBLE. Is it or is it not true that a car in the busy season is worth $8 or $9 or $10 a day to the road which uses it? Do you not think that so small a penalty will not have the desired effect?

Mr. MCKENNA. I do not believe that the earnings will produce that value for any car. I think it could be made worth that if we could get an adjustment of terminal facilities and receiving facilities for taking care of the traffic, and I think that about half that sum that you mention is about right in the busy times.

Mr. MARBLE. Then, don't you think that this $5 penalty is likely to result only in an increased income for the owners of the car, the car being worth as much per day as the amount of the penalty for the transaction?

Mr. MCKENNA. No; my impression is that that will have the effect of returning the cars more promptly, because I know that the practice of our own road when that arrangement was entered into—the instructions have been that that agreement must be explicitly carried out.

Mr. MARBLE. It is now but in its experimental stage, and you are watching the effect?

Mr. MCKENNA. Yes; we are imposing a penalty now to bring about what we used to do for the sake of plain dealing and common honesty.

Mr. MARBLE. Will you tell us, from the standpoint of your road, what you know as to the use of cars as warehouses in this city, or any other place where, according to your observation, that practice has been in vogue?

Mr. MCKENNA. Well, the free time which is granted and which has grown up for some years on various commodities detracts very greatly from the earning power of the car to its owners. Certain commodities, as, for instance, hay, coal, wheat, and all sorts of grain have the advantage of that free time. There are certain rules governing the handling of cars which have grown up as the result of competition between railroads, that I suppose are now really a part of our system of handling freight, that it would be difficult to do away with.

Mr. MARBLE. That also results or amounts to a discrimination as between shippers, some shippers having the privilege of using the cars as warehouses, and other shippers being unable to secure cars at all?

Mr. MCKENNA. I do not believe it would go to the extent of discrimination.

Mr. MARBLE. I do not mean intentionally, but that is what the car shortage means. Perhaps that is where it commences.

Mr. MCKENNA. It places a burden on all the grain of the country, if you please to look at it in that manner; but it is a situation in which the shipper is quite as much interested as the carrier in stimulating the efficiency of the car movement to the highest point. It is quite evident that the receiver of freight has not enhanced his facilities to the degree that the railways have, because the per diem car movement—the general statistics will show it—has constantly decreased in miles per day. I think that statistics will show that for a number of years this has steadily grown less.

Mr. MARBLE. Do you think there is any fair ground for hoping that of themselves the shippers will end the use of cars as warehouses? Is there any hope that the shippers who are now using the cars as warehouses will abandon that practice, provide warehouse facilities for themselves, and release the cars, unless the roads take some action?

Mr. MCKENNA. Well, I believe that there is a better condition coming about. The roads have already taken action. The American Railway Association, at its last meeting, appointed a committee called the "car-efficiency committee." Mr. Arthur Hale, of the Baltimore and Ohio Railroad, is the chairman of it, and, acting upon a suggestion of his own, and his own initiative, he is attempting to have committees of the receivers—large receivers of commodities in various business centers—formed, so that they may come together with the railroad men on this committee that I have named, in the effort to investigate and remedy these conditions. The purpose of the committee is to ascertain what steps can be taken for the betterment of the conditions, and for the benefit of the entire country. I am very hopeful that some benefit will come from it.

Mr. MARBLE. You would say that you are in the investigation stage of providing a remedy?

Mr. MCKENNA. Yes, sir.

Mr. MARBLE. Is that investigation being vigorously prosecuted?

Mr. MCKENNA. Yes, sir; so far as I have been able to ascertain or judge Mr. Hale is doing everything in his power to bring that result about. He so told me when I last saw him. People connected with the board of trade here, however, are of the opinion that he will be unable to accomplish very much.

Mr. MARBLE. How many cars do you say are being used as warehouses here in the city of Chicago?

Mr. MCKENNA. Any estimate that I would give in answer to that question would be simply a rough guess. I should say that the St. Paul road brings into Chicago from 1,200 to 1,400 cars a day. The average time that these cars are detained in Chicago is about seven days. That at least is a basis for calculation.

Commissioner LANE. It takes about seven days after a car arrives in Chicago before it can be unloaded and go out?

Mr. McKENNA. Yes, sir; we have an average of a little less than six days, but I think that the prevailing average is about seven days.

Commissioner LANE. That would be about 1,400 cars?

Mr. McKENNA. Yes; but that is simply an approximation. I can, however, get, and will gladly give, you the exact figures.

Commissioner LANE. I would like very much to have them.

Mr. MARBLE. What do you say would be a fair detention here in Chicago, or what would be fair and right as to the length of time that such cars should be detained here?

Mr. McKENNA. Oh, I suppose that probably that would be about four days. Under average conditions I presume that from four to five days would be sufficient. That would release in Chicago, or that would be equal, I should say, in Chicago to about 75,000 car days per day.

Mr. MARBLE. Seventy-five thousand car days per day?

Mr. McKENNA. Yes, sir.

Mr. MARBLE. For this city alone?

Mr. McKENNA. Yes, sir.

Mr. MARBLE. Have you had any trouble with the detention of your cars at the seaboard for storage?

Mr. McKENNA. I know in a general way that there has been a great detention in that locality. Whether it has been one which applied to our cars or not I do not know at present.

Mr. MARBLE. In the loading of your engines, do you follow the practice of the northwestern roads, as to their heavy loads?

Mr. McKENNA. No, sir.

Mr. MARBLE. Why do you not do that?

Mr. McKENNA. The only earning factor on a railroad is the locomotive. The money that goes into the treasury is the result of the work of the locomotive. Ordinary business judgment would require that you get all of the work out of your locomotives that you can, consistent with the collateral facts and conditions surrounding it. We load our locomotives to a fair limit, so that they can run over the road and carry their loads. We load in summer maybe 40 per cent greater than we do in winter. The local conditions are largely controlling. The means to meet those conditions are in the hands of the officials of the local divisions each day. It turns upon the weather conditions, the condition of the locomotive itself, or any of the surrounding conditions. We expect from them on the average about 10 miles per hour.

Mr. MARBLE. You expect, including delays in the division points, about 8 miles per hour?

Mr. McKENNA. Well, yes; possibly.

Mr. MARBLE. About 100 miles every twelve hours?

Mr. McKENNA. Let me see. Let me be sure that I understand you. Do you mean from the initial movement of the cars?

Mr. MARBLE. Yes.

Mr. McKENNA. Well, yes.

Mr. MARBLE. About 100 miles every twelve hours?

Mr. McKENNA. Yes.

Mr. MARBLE. And do you so load as to get that performance?

Mr. McKENNA. Yes, sir; we do.

Mr. MARBLE. If you should load heavier, you would get figures showing more tons carried per train mile, of course?

Mr. McKENNA. Yes, sir.

Mr. MARBLE. What would be the effect? Would you give as good service to the public?

Mr. McKENNA. No, sir. We would not give as good service to the public, and I doubt very much whether, under that arrangement, you would get from your locomotives as great efficiency.

Mr. MARBLE. And it would ultimately reduce your earnings?

Mr. McKENNA. Ultimately; yes, sir.

Mr. MARBLE. You would not move as many tons in a month with a locomotive, even though it hauled more tons per train mile; is that right?

Mr. McKENNA. I should say that you would reduce the efficiency of your equipment by allowing it to be limited in that way, under all conditions, at least 30 per cent. A delay to a car in transit is just as bad as a delay to a car waiting for the shipper to load or the consignee to remove the load.

Commissioner LANE. What is the average weight of a train that you haul—how many tons?

Mr. McKENNA. It varies very largely. It is governed by the grade line of the division on which the traffic moves, and the power that is used to move it.

Commissioner LANE. Considering now your largest engines, I mean.

Mr. McKENNA. I think our loading on the Chicago division is 1,800 tons. On the La Crosse division about the same; but then we have other divisions where it runs down as low as 500.

Mr. MARBLE. Will you give us your car balance sheet for the last three months, say?

Mr. McKENNA. The balance sheet between the railroads?

Mr. MARBLE. Yes.

Mr. McKENNA. Between the railroads, you mean?

Mr. MARBLE. Yes.

Mr. McKENNA. Yes, sir; with pleasure.

Mr. MARBLE. Showing the number of foreign cars held by you, and the number of your cars held by foreign roads?

Mr. McKENNA. Yes, sir.

Mr. MARBLE. At periods of say a week apart during this crop year?

Mr. McKENNA. I think those balances are taken off about three times a month. They are sent to my office and I can give them to you in an hour if you want them.

Commissioner HARLAN. Mr. Biddle, will you tell us what the average daily car movement on your line is?

Mr. BIDDLE. About 23 miles a day, according to the last advices or reports that I saw. It runs from 22 to 23 miles per day. It is very much less than it was about a year ago.

Commissioner HARLAN. That is the average in the whole country?

Mr. BIDDLE. That is the average for the whole South.

Commissioner HARLAN. And for the whole country, is it not?

Mr. BIDDLE. How do you mean?

Commissioner HARLAN. Well, I have seen figures; I have seen a statement to the effect that the average car movement for the entire country was about 23 miles.

Mr. BIDDLE. I am not sure about that. A year ago it was in excess of that, I think about 25 or 26 miles.

Commissioner HARLAN. And about 23 miles this year?

Mr. BIDDLE. Yes.

Commissioner HARLAN. You heard Mr. McKenna's statement, did you not?

Mr. BIDDLE. No; I do not know that I did; not in reference to that.

Mr. MARBLE. He was not asked as to that; it was as to the time that a car was in transit and also the delays in passing a division point. These figures, as I understand them, include these cars that are used as warehouses?

Mr. BIDDLE. Yes.

Commissioner HARLAN. Mr. McKenna, will you give the car movement on your line?

Mr. MCKENNA. For four months it has been from 32 to 36 miles.

Commissioner HARLAN. Is it less than last year?

Mr. MCKENNA. Last year it was 31 to 33 miles for the same period.

Mr. MARBLE. I would like to ask Mr. Biddle in reference to a car of grain loaded out in the country—and this is in connection with the same question—to come 300 miles into a market and passing through two division points, what is the normal, customary, and reasonable delay from the time it is shipped until it is received?

Mr. BIDDLE. I could not give you that. I do not know that our people have it in that shape. I know our average mileage per day per car, and that is, I think, between 22 and 23 miles, and last year, as I recollect it, it was about 25 or 26, and the difference in our judgment is accounted for by the congestion, under which condition a large number of our loaded cars are absolutely standing still. However, that subject and that information I am hardly in a position to give to you in the same shape that Mr. McKenna is giving it to you.

Mr. MARBLE. What I would like to ascertain is what do you on your road think is the fair thing to do and what do you actually do—about how many miles per twelve hours?

Mr. BIDDLE. I have not the train sheets in my possession, so that I am unable to give you the information for which you ask in that way.

Mr. MARBLE. Is it as low as twenty?

Mr. BIDDLE. I have not the slightest idea.

Mr. MARBLE. Will you give us some figures about it corresponding to these figures which have been given by Mr. McKenna?

Mr. BIDDLE. Yes; I will.

Commissioner HARLAN. Mr. McKenna, can you also send us a statement showing the increase of your locomotive equipment and car equipment since 1901.

Mr. MCKENNA. That is contained in this statement which I have already submitted to the Commission.

Commissioner HARLAN. Does that show the increase in the tonnage for the same period?

Mr. MCKENNA. Not tonnage, but ton mileage. It is only for the first four months of this fiscal year. Our ton mileage increased 19.07 per cent. We build our own locomotives and cars, and during the year ending December 1 we built 56 locomotives, an increase of about 5½ per cent; 4,441 cars, representing a net increase of 8.04 per cent. A net increase in that case means that that is additional equipment after the cars that have been dropped out have been considered.

Commissioner HARLAN. That is the largest for the year?

Mr. MCKENNA. Yes; for the calendar year to December 1.

Commisioner HARLAN. Does that show your increase of equipment since 1901?

Mr. MCKENNA. No, sir; but I can prepare that for you, and will be glad to do so.

Commissioner HARLAN. If you will, also show the increase of your gross tonnage, and net tonnage moved?

Mr. MCKENNA. Let me understand what you want. You want a statement showing the increase of the locomotives and freight-car equipment and the increase in tonnage from 1901 to——

Commissioner HARLAN. To the end of your last calendar or fiscal year?

Mr. MCKENNA. Yes; I would be very glad to furnish you with that.

Mr. MARBLE. Is there anything here in addition that you desire to explain? I have here the statement prepared by Mr. McKenna which I want to put in.

Mr. MCKENNA. I do not believe that the statement which Mr. Marble refers to contains anything upon which I have not already commented.

Mr. MARBLE. Then the statement prepared by Mr. McKenna I will now file with his testimony.

(Same is received in evidence and marked "Exhibit No. 1—McKenna.")

Commissioner LANE. I want to ask one question. Is there a necessity existing which compels the railroads to go to the car manufacturers and locomotive makers in order to get locomotives and cars? Can not the railroads themselves supply themselves with this equipment?

Mr. MCKENNA. I can answer that question, so far as the Chicago, Milwaukee and St. Paul is concerned. It supplies itself with its own locomotives and freight cars. We build our own. We have a capacity at West Milwaukee of 8,500 freight cars per year. Our locomotive capacity in the current year has been about 62. We have made an addition to our locomotive construction shops, so that next year we will be building about 132 per annum, or at least have that capacity.

Commissioner LANE. How many railroads in the country are equipped so as to make their own locomotives and cars?

Mr. MCKENNA. I do not know of any other railroad that builds all of its own equipment. The Pennsylvania builds some locomotives, but I think it has gone out of freight-car construction.

Commissioner LANE. Do you know what your car-building plant costs, or what it is valued at?

Mr. MCKENNA. I can only get at that approximately, because it is a part of our general shops at Milwaukee.

Commissioner LANE. What approximation would you give?

Mr. MCKENNA. Oh, I should say, roughly, that we have got—that is, that we will have invested by the 1st of February, in that particular direction, about $1,500,000.

Commissioner LANE. Is there any embarrassment to the railroad that builds its own cars in procuring whatever equipment it needs?

Mr. McKENNA. Not in our case. We have been able for the last seventeen years to provide car equipment necessary for our needs, and we are now building for several extensions that are under construction.

Mr. MARBLE. Has your road at any time in the last ten years tried the plan of loading its trains heavier, so as to have more ton-miles per train-mile?

Mr. McKENNA. We are continually increasing the load behind the engines. We are continually endeavoring to increase the load behind the engine, in so far as it is consistent with adequate and satisfactory service to the public, and looking always to reasonable locomotive efficiency and the general good of the service.

Mr. MARBLE. Such as you have here testified to as being reasonable?

Mr. McKENNA. Yes.

Mr. MARBLE. Have you tried heavier loading as an experiment?

Mr. McKENNA. No, sir.

Mr. MARBLE. You have not tried such experiments?

Mr. McKENNA. No, sir.

(The witness was excused.)

C. W. SANFORD, called as a witness, was duly sworn and testified as follows:

Mr. MARBLE. You reside in Chicago?

Mr. SANFORD. Yes, sir.

Mr. MARBLE. You are engaged in the railroad business?

Mr. SANFORD. Manager of the Chicago Car Service Association.

Mr. MARBLE. What is that association?

Mr. SANFORD. It is what is known as the Demurrage Bureau. It makes record of all the cars held beyond the free time for loading or unloading—that is, the free time allowed by the railroad rules.

Mr. MARBLE. That being so, also you have knowledge of cars which are being held over the free time and can testify as to their number?

Mr. SANFORD. Yes, sir; my attention is directed to all cars for local delivery and held for orders.

Mr. MARBLE. On what roads?

Mr. SANFORD. On all roads.

Mr. MARBLE. Now, just to put this in one sentence, I wish to come to the question of cars being used as warehouses. What do you say as to the number of cars that are being held in Chicago, and the average period of their detention, for all the roads, from your general experience and knowledge in that business?

Mr. SANFORD. Well, I can not say as to the outside detention. We compute the detention from the time that the car arrives at the station until it is what we term released. That is, the disposition given to the road which is holding it, or until it is unloaded. The average detention by days at Chicago, while the car is held at stations, up until the time it is ordered, is about two and a half days.

Mr. MARBLE. During that time is the car under the shippers' control, or the railroad's control?

Mr. SANFORD. Why, the shippers control about 90 per cent of that time. I mean that the shippers' detention is about nine-tenths of a day.

Mr. MARBLE. About nine-tenths of a day?

Mr. SANFORD. Yes, sir.

Mr. MARBLE. Then, as to the free time, how much does that average?

Mr. SANFORD. Well, the free time allowed at Chicago to-day is forty-eight hours for the reconsigning of all commodities except coal. Coal is allowed five days by some lines. Forty-eight hours is allowed for the unloading of all commodities except grain for elevators, which is allowed five days, but the railroads have given directions to have their rules become effective—to have the release of the car become effective as promptly as possible, which will make the free reconsigning time forty-eight hours for all commodities except coal. Coal will have a maximum of four days, providing the unloading for all commodities shall be forty-eight hours—the unloading free time.

Mr. MARBLE. The unloading time is in addition to the free time, is it?

Mr. SANFORD. Yes, sir.

Commissioner LANE. What is the demurrage after that?

Mr. SANFORD. One dollar per day.

Commissioner LANE. For all railroads coming into Chicago?

Mr. SANFORD. Yes, sir.

Commissioner LANE. And that has been effective how long?

Mr. SANFORD. Well, that dollar-a-day rate has been effective for years—since 1888. These rules that I have just described, we have orders to put them into effect, but it will take at least thirty days before we can get them entirely operative. It will be I think, about February 1 before they become effective.

Commissioner LANE. Is $1 per day sufficient? I will ask it in another form. Would warehouses, on that same freight, charge more? Would storage of that same freight in a warehouse cost more than $1 per day?

Mr. SANFORD. That depends upon how long it would be held up. If a man only expected to hold it for three or four days, then it is more economical for him to hold it in the car. If, on the other hand, he was going to hold it for two weeks or more, it would be best for him to hold it in a warehouse.

Commissioner LANE. Can you tell what the average number of days is that a car is held over the forty-eight hours which is permitted ordinarily?

Mr. SANFORD. Well, the total detention is less; well, one and one-half days it was said a little while ago.

Commissioner LANE. Yes; but the cars I mean that are held over two days.

Mr. SANFORD. Well, at this time, about 10 per cent.

Commissioner LANE. Ten per cent are held more than two days?

Mr. SANFORD. That is, sufficient time to accrue car service charges.

Commissioner LANE. That would be one day, would it?

Mr. SANFORD. No; two days.

Commissioner LANE. Well, two days; and after two days you charge $1 a day?

Mr. SANFORD. Yes; exactly.

Commissioner LANE. Now, then, 10 per cent, as I understand you, are held more than two days?

Mr. SANFORD. Yes; that is correct.

Commissioner LANE. Now, can you tell me what the average length of time over two days is that those cars are held?

Mr. SANFORD. Well, I could only approximate that, but I would say about four days.

Commissioner LANE. Are many of them held for that length of time?

Mr. SANFORD. Why, no; not a very large percentage, although Chicago is a distributing market, and there is a great deal of "notify" freight shipped here. I suppose that there is a larger per cent of freight held in cars at Chicago than at any other point. We frequently have cars that are held for thirty days or longer.

Commissioner HARLAN. What class of freight is that?

Mr. SANFORD. It is principally slack, duff coal, and hay. Occasionally wood, slabs that come from some planing mill in the North. It is those three commodities principally, and then in the fruit season there are frequently cars of vegetables for which there is not a prompt demand, watermelons and such fruit as that. Fruit like that is allowed to remain on hand, owing to an unsatisfactory market, until it is of too little value. It stays in the car till the railroads find that it is not going to be unloaded by the consignee and then they unload it.

Mr. MARBLE. Why is there more free time allowed on coal and coke than on other commodities?

Mr. SANFORD. A large percentage of the coal and coke that comes to this market is from a long haul. It passes through a number of division points and points where railroads put it in probably two or three different trains—it is put in different trains at different yards. It is necessary to market coal at a distance from Chicago and haul it to some distributing point, or at least very much of it. This has always been a distributing point. There is lake competition at Chicago. Coal that comes by lake competes with coal that comes by rail. Lake transportation is economical, and in that the coal is often held for some time on the docks. The idea is to in some manner place the rail shipper on an equal footing. It takes some time for the consignee to dispose of his freight here.

Mr. MARBLE. Does that apply to all commodities likewise?

Mr. SANFORD. Not all commodities, but it applies to some commodities, and to coal, as well as anything else. It takes longer time to communicate with the consignee and get his directions for the disposition of the coal here than it does at some other stations.

Mr. MARBLE. The explanation, then, would be that as to the coal, methods have to be adopted to meet the lake competition?

Mr. SANFORD. They have to meet the lake competition.

Mr. MARBLE. And the railroads have therefore permitted the coal to be stored in the cars?

Mr. SANFORD. Not entirely that, but if a man can ship coal in by water and have it held until he wants to use it, and he can not obtain the same privilege if he ships by rail, he certainly will give the preference to the mode of transportation which affords him the facilities that he wants, when it is possible for him to do so.

Mr. MARBLE. You say that the ruling reason is the competition?

Mr. SANFORD. And in addition to that, the long haul, the irregularity in the route, and time of arrival, owing to the long haul.

Mr. MARBLE. The uncertainty in time of delivery?

Mr. SANFORD. Partly that.

Mr. MARBLE. Does not that apply to other products?

Mr. SANFORD. Well, it does not apply to other products that are not necessities. Coal is a necessity. Many of our big industries would be obliged to close down if they could not be regularly supplied with coal. Railroad companies frequently find it impossible to do that at a distance of 400 or 500 miles.

Mr. MARBLE. Before I left Washington I heard this: That the railroad companies had provided specially built cars for the coal dealers, which could be quickly unloaded, but that the coal dealers had failed to provide the proper facilities for unloading such cars and were using primitive methods. Do you know anything about that? I refer to the hopper-bottom cars, cars which will practically unload themselves if properly handled.

Mr. SANFORD. I presume a very small percentage of coal dealers are equipped with trestles and other conveniences for unloading hopper-bottom cars. It is a very small percentage of coal dealers, probably, that would find it profitable to go that expense; that is, dealers who would unload sufficient coal regularly to warrant an expense of that kind.

Mr. MARBLE. Well, coal dealers as well as others are complaining of the lack of cars.

Mr. SANFORD. They don't complain to me of a lack of cars when I come in contact with the public. It is generally because they are oversupplied and don't unload their cars.

Mr. MARBLE. What was that?

Mr. SANFORD. When I come in contact with the public it is because they are oversupplied, generally, and do not unload their cars. They make no complaint to me of shortage.

Mr. MARBLE. They want more free time?

Mr. SANFORD. Yes; they want more free time.

Commissioner LANE. How many loaded cars come into Chicago in a day?

Mr. SANFORD. I could not say.

Commissioner LANE. Well, you gave us a figure of 10 per cent on the number that were held over two days.

Mr. SANFORD. Well, I did that because we figure that every month—we make a record of all the cars that are charged car service or that are subject to car service, and that is the number of cars that are charged car service.

Commissioner LANE. I understand that, but you testified to a certain figure of 10 per cent of the number of cars that came in.

Mr. SANFORD. I said that the number of cars held for loading, unloading, or reconsigning. Now, there are a great many cars that come into Chicago that are loaded with through freight. There are a great many cars of through freight. I make no record of them, and pay no attention to them.

Commissioner LANE. Only the cars that come here, to this city, as their terminus?

Mr. SANFORD. Exactly.

Commissioner LANE. How many cars of that kind are there?

Mr. SANFORD. Well, we record about 175,000 to 205,000 per month.

Commissioner LANE. How many days do you figure, thirty days to a month?

Mr. SANFORD. We figure the working days only, twenty-six days to a month.

Commissioner LANE. Six days in the week?

Mr. SANFORD. Yes, sir.

Commissioner LANE. Ten per cent of that, then, would be 17,000 cars?

Mr. SANFORD. Yes, sir.

Commissioner LANE. Seventeen thousand cars in this city that are held longer than forty-eight hours?

Mr. SANFORD. In a month?

Commissioner LANE. In a month, yes. Does that mean individual cars, or do you accumulate the cars? Do you count the same car over again?

Mr. SANFORD. No; we only count the car once, whether it accrues $1 or $20.

Commissioner LANE. There would be, then, 17,000 individual cars during a month that would be held for warehousing or some purpose of that kind?

Mr. SANFORD. Not all at one time.

Commissioner LANE. Throughout the month. Cars held more than two days.

Mr. SANFORD. Yes; that is correct.

Commissioner LANE. And the average of them that would be held more than two days, the average time you think, would be four days?

Mr. SANFORD. Yes.

Mr. MARBLE. You figure, then, that there are about 68,000 car-days per month—is that right—that are used for storage purposes in this city?

Mr. SANFORD. Well, I figure twenty-six days to the month, without counting any Sundays or holidays.

Mr. MARBLE. Coming down to the month that is on the calendar, and the days that cars are on the track, used for storage, how many car-days per month do you say are used for storage in this city?

Mr. SANFORD. I do not know how many cars have been detained this month, but you multiply by 2½ and you have it, a general average of 2½.

Mr. MARBLE. Can you estimate that number, and total it?

Mr. SANFORD. Beyond four days?

Mr. MARBLE. Can you get a statement along that line for us, and give it to us exactly?

Mr. SANFORD. Yes; I can.

Commissioner LANE. Let us have that for a period of three months.

Mr. SANFORD. Now, let me understand. You wish a statement of the cars that have accrued car service, and the time that they have been detained, for a period of three months.

Commissioner LANE. Yes.

Mr. SANFORD. And the days that they have been detained?

Commissioner LANE. We do not mean the specific cars; we just want the total number and the number of days that they have been detained.

Mr. SANFORD. All right, sir.

Commissioner LANE. You can furnish that, can you?

Mr. SANFORD. Do you wish that by days or months, or just one week?

Commissioner LANE. If you can give it to us by days, so many cars per day on an average, say, for the month of September.

Mr. SANFORD. I will see that you have it this afternoon.

Mr. MARBLE. So that we can say that for the month of October, for instance, the cars detained in Chicago amounted to so many cars for one day. We wish that so that we can determine to what extent cars are used for warehouse purposes. You can furnish us those figures, can you?

Mr. SANFORD. Yes; I can. I will give them to you by 2 or 3 o'clock.

Mr. MARBLE. Do you, from your standpoint, hold that there is an evil here for which the receivers are responsible, which aggravates the transportation situation, so far as the shippers are concerned?

Mr. SANFORD. I think that there could be a good many cars—a good many cars could be reassigned more promptly or loaded more promptly.

Mr. MARBLE. Who is responsible for the fact that they are not?

Mr. SANFORD. Well, I think it lays mostly with the railroads and the consignees. Mr. Biddle's remarks on the subject of so many consignees not stocking much freight, I think, are very much to the point. There are many consignees that take care of large quantities or raw material, fuel, etc. There are others that hold large quantities in cars all the time. By large quantities I mean five or six days' supply.

Mr. MARBLE. And the railroad responsibility is what?

Mr. SANFORD. The railroads are responsible in that the yards become congested and they find it impossible to regularly and rapidly give the switching service at the terminals.

Mr. MARBLE. Does that at all come from the use of the cars as warehouses by those shippers?

Mr. SANFORD. It comes from delays in getting reconsigning orders and accepting freight before unloading when it arrives at destination.

Mr. MARBLE. What action do you see that the railroads can take to help remove that evil?

Mr. SANFORD. I would minimize the reconsigning and raise the demurrage rate.

Mr. MARBLE. That is all, I think.

Mr. MARBLE. Capt. G. J. Grammer, head of the freight traffic department of the New York Central Lines, was subpœnaed, but I learn that he is ill and confined to his room, and for that reason we will have to excuse him.

J. W. MIDGLEY, called as a witness, being duly sworn, was examined, and testified as follows:

Mr. MARBLE. Mr. Midgley, where do you reside?

Mr. MIDGLEY. In Chicago.

Mr. MARBLE. And what is your business?

Mr. MIDGLEY. That is pretty hard to tell.

Mr. MARBLE. Is it recently been that of issuing letters in relation to the car clearing houses, and the car pools, and the car diversion evil, has it not?

Mr. MIDGLEY. Yes, sir.

Mr. MARBLE. Is that at all as a result of an employment by railroad systems?

Mr. MIDGLEY. Yes, sir. May I state how I commenced?

Mr. MARBLE. We will be very glad to have you do so.

Mr. MIDGLEY. About six years ago certain gentlemen quite prominent in financial and railroad circles thought there was not enough of a just return received from the use of railroad cars, and they asked me to look into the causes and try and devise plans for stimulating the activity of freight cars. A number of them got together, made an agreement, and asked me to spend a year, or possibly two, in that work. I have been at it, in all, six years. The first result of those efforts was a change in the method of compensation for the exchange or use of freight cars from the mileage method to the per diem method. From the inception of railroads until, I think, July 1, 1901, or 1902—I am not sure as to the year—the rule was to pay for the use of a car when it left the home rails by the miles run. The rate was finally fixed at 6 mills per car per mile run. If the car did not run, if it was kept idle for months, or even years, no compensation was paid to the owner for the use of his car; and that frequently occurred. There was every incentive not to let a car run, because the user did not have anything to pay for it—did not pay anything for it if it did not run. There were railroads in this city—some had ample warehouse room or storage room. In order to secure business they would give free warehouse room—free storage to the shippers. Other railroads that did not have storage room would offer their cars; that is, the cars of other companies. In order to put a stop to that practice demurrage associations were organized over the country, but that did not release the cars when they went away from home.

I advocated a delay payment, but the mistake made was in fixing the rate so low. When I got the movement around to a point where I was sure it could be inaugurated, because it was not a movement that required unanimity—it did not require unanimous action, as any number of railroads—a half a dozen—could have started it. When I got it to the point when the largest systems, east and west, were in favor of the change proposed the American Railway Association stepped in and said they would take charge of it, and they inaugurated what is called the per diem rules of car movement and fixed the rate at 20 cents per car per day—a ridiculously low rate. Of course, that was more than chronic borrowers had paid; in fact, they had paid almost—very little of anything. Take the roads in New England. Throughout New England there were small warehouse rooms near the great mills—manufacturing establishments. So, when the cotton came from the South or Southwest it was held in the cars on track, at the convenience of manufacturers, until it was consumed in the mills. It might take three months, as it frequently did. No return was made to the owners of those cars—western cars or southern cars—because it is a rule in railroading that the initial road shall furnish the car and let it run through to destination.

Now, they complained—those New England roads—that they did not have warehouse room, and that to charge them 20 cents a day would be a fearful hardship. They wanted to pay only 10 cents a day. I wanted 30 cents a day. Thirty cents a day would have been an ideal rate for the standard car, which, since 1902—July 1, 1902—has

been established with a carrying capacity of 60,000 pounds. That is the standard box car of the United States.

Commissioner HARLAN. What percentage would 30 cents a day be on the cost of the car, after repairs had been made?

Mr. MIDGLEY. Oh, it would be, approximately, a fair rental of a car costing not to exceed $800. It would not be fair, now, for a car which costs $1,000.

Commissioner HARLAN. What per cent?

Mr. MIDGLEY. Six per cent, that was figured. My idea was to fix 30 cents, which was 1 cent per ton carrying capacity, and then to graduate the rate according to the capacity of the car. An 80,000-pound car would then have been required to pay 40 cents a day; 100,000, 50 cents a day; and, by the way, the Pennsylvania does not build any cars of less carrying capacity than 100,000 pounds. Now, the absurdity of allowing just the same rates for a 30,000, 40,000 or 50,000 pound car, as they do for a 100,000-pound car, is almost—goes without saying. The rate has been increased, or was increased, commencing July 1, 1906, to 25 cents per car per day, regardless of its size or capacity. It took the American Railway Association four years to bring about that condition, that advance. There has now, by the efforts of one man—one of the most powerful men in the East—been an advance to 50 cents per day. This has been inaugurated between some 90 or 100 railroads that own or control 1,400,000 freight cars. That took effect the 1st of December.

Commissioner HARLAN. That is 50 cents a day regardless of the tonnage capacity?

Mr. MIDGLEY. Yes, sir.

Commissioner LANE. One million four hundred thousand cars?

Mr. MIDGLEY. Yes, sir. This independent movement—the roads that have signed that agreement and become parties—probably control that many.

Commissioner LANE. Which roads are they?

Mr. MIDGLEY. The names of the roads?

Commissioner LANE. Can you give them to us?

Mr. MIDGLEY. I will ask my secretary if he recollects the last number—they are adding to the number.

Commissioner LANE (asking Mr. Midgley's secretary). Can you let us have that—the railroads that charge 50 cents a day?

The SECRETARY (to Mr. Midgley). Yes, sir; there are over a hundred of them.

Commissioner HARLAN. Over a hundred of them?

Mr. MARBLE. Has there been opportunity since that rate of 50 cents went into effect to test its operation, or, rather, the result of its operation?

Mr. MIDGLEY. Oh, no; not yet; but I do not think it will amount to much, when cars are worth so much more. Any traffic man would be willing to pay $1, $2, or $3 a day for all the cars he could get. If he has to pay only 50 cents a day he can make a good profit.

Mr. MARBLE. In dull times, it is not needed to prevent delay to the cars?

Mr. MIDGLEY. No; there is no trouble in borrowers returning cars when they do not want them.

Mr. MARBLE. And at the time the cars are most needed by the railroads owning them it is not large enough to force them back?

Mr. MIDGLEY. It will have very little effect, in my judgment, in returning the cars, for the reason which I have just stated, which should be self-apparent to any traffic man.

Commissioner HARLAN. Mr. Midgley, is there any plan that has occurred to you that in your judgment would have a better effect?

Mr. MIDGLEY. I am confident that I could very greatly mitigate—ameliorate the situation. Now, it can not be done immediately by any power on earth, and we shall have just as severe a crisis, or critical situation as we now have, next year, unless something is done in the meantime.

Commissioner HARLAN. Let us have the benefit of your suggestion?

Mr. MIDGLEY. No; I would rather not do that. I have inaugurated more reforms in railway service than all the officers of the railroads in the United States combined, and I have not received the slightest recognition for the service. I shall not evolve, or outline, any plans now, unless my services are fully recognized and compensated therefor.

Commissioner LANE. What do you think of reciprocal demurrage, Mr. Midgley?

Mr. MIDGLEY. I do not wish to express an opinion on that.

Commissioner LANE. As a railroad man, do you think it would be fair to the railroads?

Mr. MIDGLEY. I would rather not speak on that subject.

Mr. MARBLE. Mr. Midgley, in your circular letter No. 55, dated Chicago, July 27, 1906, at page 5, you say:

> It is expedient to emphasize the succeeding point, namely, that there are enough freight cars in operation to transact the business of the country if they were properly handled. It is a fact which can not be impressed too strongly upon the attention of the managers. Its admission in the absence of a common use of equipment is an incontrovertible argument in favor of Government ownership.

Now, you have repeated that statement at various times in succeeding letters. It is unnecessary for me to quote all of them to remind you of them, but I will ask you if this is still your opinion that there is sufficient equipment provided its use were stimulated as it is possible to do?

Mr. MIDGLEY. I do not hesitate to repeat that very statement. While I am adverse, and utterly opposed on principal, to Government ownership, I say that if the railroad managers do not rise to the situation, and do their utmost to perform their duties properly, then they furnish the best possible argument for Government control of their properties. In other words, it is now incumbent upon the railway managers and the railway men to do what would be done if there were common control of the railroads of the country. Now, if there were common control, of course there would be no use of differentiating between the equipment of various lines; but there is a great deal involved in the details that I do not want to discuss at this time, or to now burden the Commission with—details that exist under the present arrangement.

Mr. MARBLE. You have been advocating what might be called a "car pool," have you not?

Mr. MIDGLEY. I do not like the term "pool." Car clearing house is a much better term.

Mr. MARBLE. The situation now under discussion, and the point toward which the investigation is directed, is as to the best methods to meet the present emergencies and those which may arise in the future. Under the present methods, it appears to have become unsafe for a road to let its cars go to a connecting road, because it can not do so without the fear of being robbed of its equipment. It is not sure of getting an equivalent either in the shape of equipment or of a money return.

Mr. MIDGLEY. The road should be made good for the loss of its equipment.

Mr. MARBLE. And should be made good in equipment, and not in money?

Mr. MIDGLEY. Oh, that is not correct. They should be made good in their equipment or in money, for the loss of earnings that they would otherwise derive had they not been deprived of the equipment. For example, I have no objection to mentioning the Illinois Central as an illustration. That road provides each year a sufficient equipment in anticipation of its increased business. It is not fair to the Illinois Central, which is a large producing road or, as is termed in railway parlance, "an originating road," that there should be a balance of from 10,000 to 12,000 freight cars against it; that is to say, that number of its cars in excess of the number of foreign cars held by it being on other roads. It can not take care of the business for which it built its own equipment. It loses traffic, and I say that the chronic borrower should be compelled, in emergencies like the present, to compensate the roads for the loss of the equipment.

Mr. MARBLE. I will ask you, Mr. Midgley, as to this statement that you have made that there are enough freight cars in operation to transact all the business of the country, provided they were properly handled. Do you find experienced railroad men agreeing with you in that view of the situation?

Mr. MIDGLEY. They have written me to that effect, and their statements are in print. Those statements are contained in the printed proceedings of various organizations of railway men.

Mr. MARBLE. Have you obtained those views in such a way that you feel free to mention the names of the railway men agreeing with you?

Mr. MIDGLEY. No, I have not; I am sorry to say.

Mr. MARBLE. It has been confidential?

Mr. MIDGLEY. It was on the principle of the Pullman Company. If each railroad had to provide its own sleepers it would require three or four times the equipment that the Pullman Company owns or controls, but by receiving or sending them wherever they are needed, when there is a demand in one place and a deficiency in the other, and using them in that way, they succeed in transacting the sleeping-car business of the country in a much more economical manner and with a far less number of cars. Now, then, if there was a common use of freight-car equipment, properly conducted in all its details, it would have the same or a corresponding effect on the freight business.

Commissioner LANE. Do you think that under such an arrangement there would be a sufficiency of cars for the proper movement of crops in the autumn of each year?

Mr. MIDGLEY. I think so, approximately; but that condition can never be brought about unless autocratic authority is given to some one in charge. They will have to cut out a great many arrangements which have been made and doubtless some of those practices will be abandoned, which are now in vogue, and which, in my opinion, the law does not sustain—namely, concessions made to shippers by the traffic men in order to secure business.

Commissioner LANE. In the matter of the time that they allow a car to stand on the track?

Mr. MIDGLEY. Yes; for one thing.

Commissioner LANE. Do you think that prevails to any considerable extent?

Mr. MIDGLEY. It prevails all over the country, but more particularly in the East, perhaps, than in the West. Now, take the situation in New York. The rule of the lines terminating in New York is to allow free storage on export grain for 60 days from the date of the bill of lading. The western car gets there and there are no facilities, no warehouse room, and the car is held there. Free storage is given to the shipper.

Commissioner LANE. Free storage in the cars?

Mr MIDGLEY. In the cars, if there is no other way of unloading or transferring the grain.

Commissioner LANE. That is published in the tariff, is it not?

Mr. MIDGLEY. I believe it is. In any event it is the rule that is understood and is some way is published in New York. Now that does not exist at the Southern points, like New Orleans. My impression is the rule there is twenty days—storage of twenty days, and they propose to reduce that to ten.

Mr. MARBLE. Do they actually store grain in cars a great deal, do you know?

Mr. MIDGLEY. Well, I could not, of course, state from personal knowledge for the last two years, because, on account of my defective sight, I have been unable to travel.

Mr. MARBLE. But that is according to your information?

Mr. MIDGLEY. From my information and belief.

Mr. MARBLE. Your information and belief is that they actually do store a great deal of grain in cars at these points?

Mr. MIDGLEY. Yes, sir.

Commissioner LANE. Can you tell us the name of an authority or association or an individual who would be able to inform us as to the number of cars held in New York for storage purposes?

Mr. MIDGLEY. I should think the manager of the Car Service Association at that point, whose duties correspond with those of Mr. Sanford, who just testified.

Mr. MARBLE. Without mentioning names, I will ask you if these railroad officials who agree with you that there is enough equipment in the country if it were properly used to do the business are experienced railroad men, and men of authority and standing among railroad men?

Mr. MIDGLEY. They are among, I think, the greatest operating officials, and they are men who handle the cars and have charge of the distributing of cars.

Mr. MARBLE. Of the larger systems?

Mr. MIDGLEY. Yes; the largest that we have. There is another thing. Take it in Chicago; the terminals are crowded during their

busy season, nearly all or at least some parts of the year. The terminals are crowded for the reason that through shipments are brought to the city that never ought to come within its limits. Assume that the car is loaded or originates in New York, destined for Omaha or any western territory. That car should not come into this city at all. It should go to a central point outside of the city and there be delivered by the eastern road to the western road by which it is to be forwarded, and it should go through without coming into the city terminals at all. Under such an arrangement those cars would go through in train lots, and these larger terminals in the city would be at least partially relieved from that congestion.

It takes an average of two weeks, ordinarily, to get a car—say a car of flour from Minneapolis destined for New York—it takes two weeks to get it through Chicago on an average. I think they will tell the gentlemen of the Commission that that is the fact. They have so stated to me when last I was in Minneapolis and talked with them. Now, there is plenty of room outside. There is a plant outside of this city where I think there are 18 parallel tracks about 3 miles long, and it is called a clearing house, for the express purpose of handling such traffic and furnishing facilities for the movement of through freight. That plant remains idle.

Commissioner LANE. Why don't the railroads avail themselves of it?

Mr. MIDGLEY. I would like something easier to answer than that. Some things are unaccountable.

Commissioner LANE. How long would it take a car to get through that clearing point that you speak of?

Mr. MIDGLEY. They could put it through in twenty-four hours, and just see how they could economize. The way they have to do now, suppose a train load comes in on an eastern road; it will have a number of cars destined for western roads. The switch engine will have to go to each one of those western roads with these different cars, whereas the same switch engine could distribute those cars at one central point. In the way of economizing, under that arrangement, they could also bring back from the southern or western roads such cars as were destined for the eastern road. It is incomprehensible to me why the railroads do not avail themselves of that arrangement.

Commissioner HARLAN. Is not that done to some extent in the East by the so-called belt lines?

Mr. MIDGLEY. It is done to a limited extent, but the practice is not indulged in as it should be.

Commissioner HARLAN. Would you say that it is a small percentage of the cars that should be transferred to connecting carriers at this point?

Mr. MIDGLEY. I say that no business should be brought into the city, into such crowded terminals as we have now, such as we have here, that is likely to be forwarded to any western point. I am not speaking of other than through shipments. Take our wholesale merchants, they are antedeluvian in their methods. Instead of carting back and forth, between railroad depots and their wholesale houses all their goods, they should simply have some place, have a warehouse at some point like that, and then instead of storing the freight in the crowded terminals it should be forwarded to a central point.

Now, there is a plant out there that has been established for that purpose, and for some reason, I know not why, the railroads will not use it, or at least they have not.

Commissioner HARLAN. To return again to the belt lines. What percentage of cars, of through cars, are handled by those lines?

Mr. MIDGLEY. That I could not state. I have no official information of that kind.

Commissioner HARLAN. You think it is a small percentage of cars that are handled by these belt lines that could be so handled?

Mr. MIDGLEY. Yes; I do.

Mr. MARBLE. In your letter number 58, after quoting Mr. Fish, you make an argument or a statement that the increase in motive power and in car capacity has kept pace with the marvelous growth of tonnage offered for transportation.

Mr. MIDGLEY. Yes.

Mr. MARBLE. If I read that letter aright, you quote Mr. Fish as making that statement for the Illinois Central.

Mr. MIDGLEY. No; I quote the Interstate Commerce Commission, and the figures which they furnished me.

Mr. MARBLE. Mr. Fish's argument is what?

Mr. MIDGLEY. I might explain that if you will allow me, as to Mr. Fish's connection with that matter. Mr. Fish was one of the pioneers in this movement. Mr. Fish, Mr. J. P. Morgan, Mr. E. H. Harriman, Mr. J. J. Hill, Mr. Ripley, and a number of other gentlemen engaged me originally to look into this matter. Mr. Fish, at the outset, tried to emphasize and impress upon me the necessity of organizing a clearing house. He is a financial man and he wanted things settled as banks do, through a clearing house. One year ago the officers representing one of the foremost roads in the American Railway Association came to me and asked me to continue the special work I had been engaged in, with a view of promoting the formation of car pools. I had announced my intention of retiring last spring. When this gentleman came and urged me to advocate, as I say, the formation of car pools, that was the situation of affairs.

I said to them that I had letters from Mr. Fish received some years ago, along that line, and that I thought I could interest him in the proposition. They said if I would take up the matter, by the ensuing fall doubtless enough roads would become interested to justify Mr. Fish in calling a meeting, and organizing a car pool between such roads as would be willing to enter into an agreement at that time, and that within five years it would comprise all the roads of the country. I wrote to Mr. Fish immediately after that conference. He wanted to cooperate, and his letter, which was written to the American Railway Association, at their last convention, was responsive to my request advocating a car clearing house. Now that explains my present position and connection. I have accomplished what those gentlemen asked me to do, because everybody is interested in a car pool now. They laughed at me a year ago and they said it was foolish, and it was a matter which was ridiculed. They said it was impracticable. I do not think anyone would state that now.

It is perfectly feasible, and always was, if the roads had taken hold of it. There are two men in the country that can do more than any other power and authority to alleviate this situation for next year.

construction, and I think it was understood that that is true of most of the Western roads. Is that your opinion?

Mr. MIDGLEY. It is.

Commissioner HARLAN. You think that they are pioneer roads, built in advance of the needs of that particular country?

Mr. MIDGLEY. Yes, sir.

Commissioner HARLAN. Therefore they have resulted in building up the country. Now, has the policy of the roads changed? Do they try to keep in advance of the needs of the country? Or do they try simply to grow as the country grows? Or have they adopted the policy of keeping just behind until the need spurs them on, and then increasing their facilities? As far as you know, has there been any change in that connection among western railroad men?

Mr. MIDGLEY. I know that the policy you indicate, thirty or twenty- five years ago, was correct, because I was then identified with the largest western road—the Northwestern road—and we had built across Minnesota and across Kansas, and in passing across Kansas herds of buffalo would frequently stop the train. In the first tariffs that we issued we provided a rate for buffalo bones—the first tariffs that I issued as commissioner of the southwestern railroad system. There have been no such conditions existing there for many years. That road was built in advance of civilization. The Winona and St. Paul was built west of Winona for a distance of from 100 to 150 miles beyond any house. I was out there at the terminus of that road, at Lake Kampeska, and the road was just laid on the rolling prairie. There was not a yard of grading that was done. Now, I think that Mr. Hill is a much better authority than I am on that, and he says that the railroads have not kept pace with the growth of the country, and can not; that it is a physical impossibility.

Commissioner HARLAN. Of course, among merchants and manufacturers, I suppose their policy would be to wait until the need had developed for their product and then make their arrangements to supply it. Now is that the present policy of the railroad—to wait until time has shown a need of greater facilities, and then supply those facilities?

Mr. MIDGLEY. Oh, I think the railroads are doing their very utmost, as they understand it, to relieve the situation, and to be equal to the demands of the shipping public, but the trouble is they have brought upon themselves such a condition of affairs. Take this city and the shipping zone—what is called the Chicago zone, or nearly so. They have induced manufacturers to come from almost every eastern point and locate along their lines on the positive assurance that they would have special facilities, and these manufacturers never provided themselves with warehouses, for example, to store coal. Now, you can not change these conditions in a minute. There are a number of those things that grew up that I think are not directly in contravention of the law now, perhaps, and many of them that I think are. They will have to be cured, but it will take time in order to do it. Those conditions all contribute to this delay, of course.

Commissioner LANE. Do you mean that there are a large number of cars that are used as warehouses upon which demurrage is not paid?

Mr. MIDGLEY. That I would not know, but I could give an illustra-

tion of the way they do. One railroad that opposed the change from the mileage basis to the per diem basis did so on the statement that they had induced manufacturers to locate along their lines and upon their terminals on the assurance that they would take care of them in providing any fuel. Now, that road which gave the assurance does not originate any coal, and it simply used the cars of eastern roads, like cars of the Illinois Central or the Chicago and Eastern Illinois, or any of those cars, which brought in the coal, and gave to their industries those cars. They said: "We are not going to charge demurrage." When they were requested to charge demurrage for the detention of cars, that was their reply. They said: "If we do that, we will lose their outbound shipments." So, you see, they bought the outbound shipments by the use of the other company's coal cars.

Commissioner LANE. That, of course, is contrary to the law now. You do not know whether that condition still prevails or not on that road?

Mr. MIDGLEY. No; the per diem changed that. They had to pay for the car each day. You see, when you charge so much per day it is for each day that the car is away from home. They could not afford, then, to give it freely to the shippers, or anyone else.

Commissioner LANE. Still, there are a large number of foreign cars on all the roads that are being used as warehouses.

Mr. MIDGLEY. Yes; necessarily.

Commissioner LANE. And they are charged for them?

Mr. MIDGLEY. Well, take the case of the refrigerator freight—fruit from California. Any shipper will pay a dollar a day as demurrage for his car, and keep it for seven or eight days or perhaps two weeks. I think I was told this very recently, that the average detention is about two weeks on those shipments, because it would cost the shippers from $5 to $6 a day to store their stuff in a cold-storage plant. The shipper would rather pay the railroad company to use the refrigerator car for storage, or as a warehouse, at the rate of $1 a day, than to pay several dollars a day to a warehouse. In that manner he makes several dollars by the transaction, and the practice has grown to such an extent that a car from California to New York does not make over three or four round trips per year. I was told that yesterday.

Mr. MARBLE. In your letter No. 59, of December 10, 1906, you say:

> Assuredly Mr. E. H. Harriman and Mr. J. J. Hill could put firmly on its feet a car clearing house whenever they choose to take the initiative, and it is gratifying to be able to state that both gentlemen cordially favor such course.

Now, yesterday afternoon, in Minneapolis, Mr. Hill took that as being news to him. I would like to ask you how you got the information that he favors such a course.

Mr. MIDGLEY. Favors a car clearing house?

Mr. MARBLE. Yes.

Mr. MIDGLEY. From Mr. Hill direct.

Mr. MARBLE. Mr. Hill told you that, did he?

Mr. MIDGLEY. Yes; he did. The last time I talked with him I asked him if he favored a clearing-house system of cars. "I do," he said.

Mr. MARBLE. Mr. Harriman has also communicated with you directly?

Mr. MIDGLEY. It was on Mr. Harriman's direct request that I called a meeting here October 16, which led to the adoption of the 50-cent per day rule.

Mr. MARBLE. As to the clearing house, he also favors that, you say. You know that from him?

Mr. MIDGLEY. Mr. Harriman favors the clearing-house method very much. He told me directly, for the first time in his own office, "What I want is one settlement between the railroad I represent and the others, instead of settling here and there and with everyone." The clearing-house principle is one which he cordially indorses.

(The Commission thereupon adjourned until 2 p. m. December 20, 1906.)

AFTER RECESS.

DECEMBER 20, 1906—*2 o'clock p. m.*

Mr. MARBLE. Mr. Midgley wishes to make a correction in his testimony of this morning.

Commissioner LANE. Stand right where you are, Mr. Midgley.

Mr. MIDGLEY. I want to explain the apparent difference in opinion between Mr. J. J. Hill's statement, as communicated by Mr. Marble, and my written declaration that he favored a car pool. My information came very recently—within three weeks—from a traffic manager whose superior officer is very close to Mr. Hill, and this confidential representative stated that Mr. Hill did approve of a car pool. I took that in connection with Mr. Hill's declaration to me two years ago, or more, for I have not seen him since, that he was in favor of the clearing-house system. Of course, the car pool or car clearing house is only one phase of the clearance system. The clearing system to which I referred, when I spoke to Mr. Hill two years ago, related more particularly to the settlement of joint freight car accounts. I make that statement now both in justice to Mr. Hill and myself. Personally my impression would be that Mr. Hill does not favor a car pool, and I was surprised when this statement, to which I have just referred, was made to me, because he does not pool—that is, the equipment of the Northern Pacific and Great Northern and Burlington is not pooled, whereas the equipment of the Harriman lines is pooled. There is a car clearing house, a clearing house for the joint use of the equipment of the Harriman lines, and there is also now, and has been for years, of the Pennsylvania lines and all lines affiliated with the Pennsylvania system, and there is to-day between the New York Central lines.

Mr. MARBLE. That is all, is it, Mr. Midgley?

Mr. MIDGLEY. Yes; that is all.

Commissioner LANE. The Commission, I might say, is keeping in touch with the situation so far as the coal famine is concerned in the Northwest, and we are just now in receipt of a telegram which says that severe storms are prevailing on some of the branch lines, and that towns located at the terminals of such lines are suffering from the lack of fuel. But it would appear that the situation—from information that we have from other sources—has been very much relieved within the last forty-eight or sixty hours, and with the exception of one or two places there is, I hope, no danger of a coal famine.

JOHN M. DALY, called and sworn as a witness, was examined by Mr. Marble and testified as follows:

Mr. MARBLE. Mr. Daly, what is your full name?

Mr. DALY. John M. Daly.

Mr. MARBLE. Where do you live, Mr. Daly?

Mr. DALY. Chicago.

Mr. MARBLE. What is your business?

Mr. DALY. At present I am car accountant for the Illinois Central Railroad.

Mr. MARBLE. As such car accountant are you familiar with the car situation at the present time on the Illinois Central Railroad?

Mr. DALY. I am. I have had twelve years' experience previous to this as superintendent of transportation for the company, and as such I am to-day to a greater or less extent engaged in the investigation of all delays to freight service and freight equipment.

Mr. MARBLE. I will ask you if you consider that the Illinois Central Railroad is at the present time short of cars?

Mr. DALY. We are short of cars to protect our traffic to-day to the extent of probably 10 to 15 per cent. That is not owing to the fact that we have not provided sufficient equipment. We own enough cars, but we have not got the cars now.

Mr. MARBLE. You own them, but you have not got them?

Mr. DALY. That is correct; yes, sir.

Mr. MARBLE. Do you know where they are?

Mr. DALY. Yes, sir; we know where they are. We own 62,070 freight cars, which is an average of about 12½ cars per mile of track. We have 24,835 of these cars on the tracks of foreign railroads, located on some 275 roads. I have here our location statement, showing the number of each kind of cars—box, furniture, stock, fruit, refrigerator, flat, and coal cars, and the total cars located on each individual railroad in the United States and Canada. The statement also shows the number of other cars on our tracks, but not by classes. I have taken those figures as gross, because it is very difficult from the numbers of other cars to determine whether they are box cars, fruit, or refrigerator cars. It would take so much time, labor, and trouble that I have here shown simply the total. This statement shows the total number of Illinois Central cars away from home to be 24,835 this year as against 22,294 last year. Among that number are 16,000 box cars away from home—no, the box cars are not assorted in that way. They are on the total here. Among them are 15,700 box cars, 866 furniture cars, 277 stock cars, 667 fruit cars, 1,679 refrigerator cars, 648 flat cars, 4,998 coal cars, or a total of 24,835. On the 15th day of November that total was 24,329, so we have increased about 500 of our cars away from home in approximately fifteen days.

Mr. MARBLE. How many foreign cars are there on the tracks of the Illinois Central?

Mr. DALY. We have 15,675. On the 10th day of December, 1906, there were 15,675 as against 14,915 on the 25th day of November.

Mr. MARBLE. The balance against you is about 10,000 cars?

Mr. DALY. About 10,000 cars. In other words, while we own 62,070 cars we have got about 52,000 of our own and foreign cars to take care of the traffic. That condition, of course, is due to our

being an originating road. We originate raw material—cotton, lumber, and coal—and commodities of that nature which find a distant market. For instance the lumber business—ten years ago or twelve years ago 60 per cent of it, at least, was disposed of on our own tracks, practically at local stations, and at important terminals like Chicago and St. Louis. To-day over 65 per cent of it is disposed of at distant markets, and the markets continue to get more and more distant each year as the scarcity of lumber in the eastern districts increases and as our patrons on our line and the shippers increase the market by sending salesmen into that territory. To-day we ship any quantity of lumber for Boston and the New England States, and a large quantity goes into Canada, Montreal, and Toronto. A good portion of our lumber, being of the yellow pine character, is consumed at the factory wherever there is a car-manufacturing plant. They want that character of lumber, that quality of lumber, and consequently we must let our cars go through, as the lumbermen object (and I think fairly so—I think they are justified in it) to any transfer of the lumber. It damages the lumber more or less every time it is handled, and then, of course, it is necessary in cases like that, if we put it into another car at the transfer point it is frequently the case that the car is held at the junction or transfer point for some time, and it would be much better for the shipper if we could let the car go through from the originating point.

Commissioner HARLAN. Are you able to supply cars for cotton; for the cotton men and the lumber mills, and so forth?

Mr. DALY. Very much better this year than last year both in the cotton and in the lumber traffic. While we are not loading any of our cars, that is to say we are not doing it intentionally, for far distant points, we are aiming to pick up, and are picking up, a lot of foreign cars and are endeavoring to use them or apply them to the shipments for distant points, and are keeping our own cars at home for the reason that if we load an Illinois Central car on the 1st day of November for a New England point or an eastern point the chances are nine out of ten that we won't get that car back before January or February, and if we had had it at home we would have taken care of six or eight commercial loads on our own lines.

So that we are aiming to keep our own cars as much at home as possible. Still they get away, even at that. But the business, as a rule, is being moved far better this year than last year. We have no congestion at any point on our system. Our power is better than ever before—in better condition. We have got more power, but with all that, as I say, we are short of cars, possibly 15 per cent.

In other words, we have about 2,800 cars ordered to-day more than we are able to supply, but from the knowledge of the orders and the nature of them I am satisfied that if we had that 3,000 cars to-day to clean up we would not be short 300 or 400 cars to-morrow with the normal supply we are giving. It is simply when you run behind 1,000 or 2,000 cars that those conditions arise.

Mr. MARBLE. If you had one-third of the cars which you have provided on your road and which you have lost, you would have enough to handle the business?

Mr. DALY. Yes; we would; and if we had the 10,000 cars back that belong to us we would have without doubt ample equipment to take care of all of the business.

Mr. MARBLE. Is it the policy of the Illinois Central Railroad to provide cars to handle its business throughout the busy season?

Mr. DALY. It has, as I say, a sufficient equipment. Fifty thousand is more than ample to take care of our requirements from the 1st day of April, or the middle of March, until about the middle of November, for the reason that the entire produce of the Yazoo Delta and the cotton crop all through that section moves from about the 1st of October until after the holidays, about January 1, as a rule. In this the weather conditions are a prominent factor. There are apt to be constant rains that prevent picking. Now, after we get through with the cotton and the cotton-seed products both for export and for the compresses along our line, it is very easy sailing for us on the car proposition. We have a surplus then for the balance of the year. In other words, we build these 10,000 surplus cars to take care of us during four months of the year, and when we are through with that, when we are through with our rush and the other shippers require cars, we have always got a surplus of them on our lines during the balance of the time.

Mr. MARBLE. You do not intend to build the cars to rent?

Mr. DALY. No, sir; we do not.

Mr. MARBLE. But, according to the system in vogue, you do rent cars?

Mr. DALY. Yes; because it is a question of participating in through traffic. We originate the traffic, and in order to participate in the haul we should be obliged to furnish (and we are obliged to furnish) our quota of the cars engaged therein, but I do not think that it is fair that one railroad should build sufficient cars to meet its demands during the season of maximum traffic and other roads to which it must necessarily give these cars in order to carry the product neglect to equip themselves with sufficient cars in order that they may take advantage of the road that has done so. It is my thought and my opinion that each should bear its proper proportion of the burden of taking care of the joint through traffic.

Mr. MARBLE. And you regard that as the present situation?

Mr. DALY. I do indeed. Of course if we should control it by refusing to handle traffic going to these distant points, it would be money in our pockets for us to do it—that is, if we could confine ourselves as far as possible to our local business—but we can not build up industries in the lumber business, such as we have done in the South, where there are a number of new sawmills and industries which have been located on our lines, if we resort to that practice. Such industries and such development of any country has never been built up on the narrow-gauge system that might be resorted to. It would simply result in a restriction of traffic. You must carry their goods to whatever point they can sell them at the best advantage, for the reason that the farther the market is away, as a rule, the better the price is that they can get for that lumber as against their own home market. At least that is always what they have told me, and that is why they are anxious to get cars for the long-haul business. It is very frequently the case that in the distant markets consumers are willing to pay a better price than at the town adjacent to the point of production.

Mr. MARBLE. Is it your experience that those cars sent to a distant point are returned to you as promptly as they might be, and should be?

Mr. DALY. They are not, as a rule. We can bring cars into Chicago for Milwaukee, or from a point that is 100 miles away, and get them back in fifteen days or three weeks, whereas it takes ordinarily six weeks to three months on the more distant points.

Mr. MARBLE. Do you know whether or not your cars are detained by other roads for their local business?

Mr. DALY. Well, you can ascertain pretty well from the records. Where you find that cars are making several movements from one railroad to another it indicates clearly that the car is being used locally by the two roads. That is an admitted fact on the part of transportation men, and more especially so in the last two or three years.

Mr. MARBLE. I understand it, from what you say, to be your contention that you could even let your cars go out of your possession for the far distant shipments if you could get prompt return, and still the Illinois Central have enough cars to meet the demands upon it?

Mr. DALY. I think that the rate in effect now will have a tendency to bring them home—that is, to protect the roads owning them much better than heretofore. For instance, up to 1902 railroads paid for the use of cars on a mileage basis. If they hauled a car 10 miles on the first of the month, they paid 6 cents. If they allowed the car to stand the other twenty-nine days in the month on a siding they did not pay anything, and consequently under the mileage plan they could allow a car to stand on a side track for thirty days waiting for business and pay nothing for the use of it. On July 1, 1902, the various railroads went into the per diem agreement. That is an agreement to pay so much per day for the use of cars, and the rate was fixed at 20 cents, and that was as high a rate as the railroads owning cars could prevail upon the borrowing roads to agree to pay.

That rate held in effect until July 1, 1906, four years, when it was raised to 25 cents a day. But the roads owning about 1,350,000 cars out of the total of 1,800,000 cars came together at Chicago on November 9 of this year, and voluntarily agreed to raise the rate to 50 cents a day in view of these conditions and the car shortage, with the idea and in order to expedite the return of cars. Now, that rate of 50 cents per day will have very little effect in getting the cars returned to the owner more promptly for at least one or two years. The relief is going to come in another manner, which I will speak of. The small road that has heretofore been able to confiscate another company's cars for the four busy months in the year and to pay the company owning the cars 20 cents a day, or $24, causes the owner to lose $150 on each of the cars that the borrowing roads confiscate in that way—cars that the owner has built or bought to protect him during this particular busy season.

I might illustrate that. Assume that I were operating a line of tugboats at New Orleans. I find that during the summer months I can get along very nicely with ten tugs, and with that number take care of all the business in the harbor and handle it all right. But during the four busy winter months, when the vessels are taking cotton cargoes, my 10 tugs are not sufficient to handle the business, and consequently I purchase five additional tugs. Now, we will say that these five tugs

cost me $1,000 each, allowing the value of the car as a basis of illustration, and the depreciation on them and the repairs to them is equal to 10 per cent. With interest at 5 per cent, that makes the cost of owning a tug $150 per annum.

Now, I let one of those tugs go out into the river with a tow, possibly to tow something to Mobile, and my friend over there on the 1st day of December takes the tug and keeps it in his service from the 1st of December until the 1st of April. He says to me when he turns it back, that he will pay 20 cents a day for it, taking that as the fixed charge and saying that the interest is only $150 a year, divided by 365 days. Now, my contention is that he should have divided—and the various borrowing roads in compensating the owner for cars that are built for the four months' business should divide—the $150 by the 120 days, and that makes it then a little over $1.25 per day; and if cars are permitted to stand on terminals, any of the surplus cars that are built for that season, and are delayed there for ten days, the road so delaying them then owes us $12.50, instead of 10 times 20, or $2. That is because somebody else doing business with us is obliged to pay into our treasury an amount to balance and make good the deficiency occasioned in that manner, and I believe that inside of a year or two this increase in the per diem rate will compel the roads that do not own equipment now, to build equipment. That in turn will relieve them of the necessity of confiscating the cars of other companies, and cars will come back more promptly, and we will be better protected.

Commissioner LANE. Suppose you adopted some such plan as this, that during the last six months of the year you raised the per diem rate to $1.25?

Mr. DALY. That is a very proper suggestion, and it is one that I worked out in committee at Denver at the last meeting. That is, I believe there should be two rates, because the road that builds cars for the busy season should be protected in the busy season with them. I do not want to advocate $1 per day the year around, for the reason that that would be sufficiently high to act as an incentive to the receiving roads in the dull season to stop a commodity in transit and transfer it into their car, thereby delaying shipments and congesting terminals; and where there is such a shortage of labor, it would make it even still shorter. We, in turn, when the foreign car is delivered to us, would transfer its contents into an empty that we would have there, and that would be burning up money for no good. But if the rate were 50 cents per day for the six dull months and $1 per day for the six months of business, then it strikes me that you are meeting the proposition on a business basis, from a business man's standpoint, and in a proper manner.

Mr. MARBLE. How can you get the consent of the various roads to these two rates?

Mr. DALY. Why, there are two propositions now pending before the American Railway Association. The first is a 75-cent per day rate, and the roads are voting on that proposition.

Commissioner HARLAN. The roads are voting on these propositions now?

Mr. DALY. Yes; at a meeting in Chicago the first proposition was to increase the rate from 25 to 35 cents, but the executive officers of

the railroads said that that would not do—that it was not sufficiently high to bring about any results. Some wanted a dollar per day flat, for the year around, and so they compromised that by making the two propositions, which they said they would submit to the railroads that are members of the American Railway Association, and let them vote for both.

Commissioner HARLAN. How many does that association include? What proportion of the mileage?

Mr. DALY. Oh, it is all the mileage, practically—98 or 99 per cent. They first have the 75-cent-per-day proposition to vote on as first choice. If that proposition gets the majority of the votes, then 75 cents will govern. Then they will vote again on the 50 cent rate; and if the 75 rate does not govern, let us get the 50-cent rate. If that does not govern, it goes back to 25 cents. There is not, however, in my mind any question but what either the 50 cent or the 75 cent rate will prevail, because the roads owning 1,400,000 cars out of a possible 1,800,000 have already consented to and are paying to-day 50 cents, and we have every assurance that it will go through. But, as I say, the effect of that can not be felt at once, because they must have time to build cars, and they can not buy or build cars in less than ten months to a year, because the factories are blockaded with orders up to that time; but if it is found that a man can build and maintain his own car—the remedy for that is that when a man can build and maintain his own cars for less money than he can get them in any other manner he is going to build.

Commissioner HARLAN. Judging from your statement, I understand that you regard it to be the fact that we are presented now with an actual car shortage, taking the whole country over.

Mr. DALY. Yes, sir; absolutely. We have investigated and figured, and obtained a great many figures on the question of car shortage. Transportation men will all agree that the car shortage begins along every year about the 1st of December and it continues bad until the 1st of February, sometimes into even March or April. Now, that is during the winter months. Any road on a terminal can handle at least 33 per cent more switching in the summer months than it can in the winter with the same crew and engine, with the same power. The same crew and engine will do it. In winter the switching is slower on account of the extreme conditions of the weather; not so much now as in the ordinary winter weather. The cold congeals the lubrication in the boxes of the car and retards their movement to that extent; and where an engine can pull twenty cars in summer, when the lubrication is soft on the journals and the cars run easy and free, it can only pull ten in winter. When switching cars and throwing them back in on tracks in the winter time they have got almost to run clear back with the train itself, because the car is so stiff that it will not run itself.

Again, in winter time they have only from about 7 o'clock in the morning until 4 in the afternoon of daylight to work by. That is, nine hours as against from 4 in the morning until about half past 7 or 8 at night in the summer time of daylight. Now, in all the various details of yard and switching work it is much easier and better to perform the service required in the daytime than at night. In giving signals, seeing that the switches are properly set, and being able to see where your cars are, that the cars you are handling is going to hit,

having switchmen being able to catch cars and ride in on them—all that is done a great deal quicker and easier and better, and I might say more safely, in the daytime than at night. Consequently, with the use of hand lamps and working under those less favorable conditions which exist in the winter, a switchman will handle 50 per cent less cars than he will in daytime where he can see what he is doing.

Now all these things have to be taken into consideration by the practical railroad man in considering the problem of car shortage, and the thousand and other things that he is confronted with. Not alone in terminals do weather conditions affect the handling of traffic materially. Take it, say, at the 1st of December or during the winter months—our tonnage has to be handled whether it is good weather or bad weather. The yard master and the train master and the chief dispatcher have to consider the weather, and if it is snowing at the north end and they have got a train starting out from the south, while the conditions at the south end may be favorable, they have got to reduce the tonnage on that train so it can get through, and consequently the train will haul on an average of 25 per cent at least less in road service. So that that would account in a measure for the congestion occurring in the winter season, and of course the traffic is heavy. Still, in March we will handle more traffic than in any other winter month of the season, and we can handle it then easier, as the conditions are more favorable.

The question of car shortage is another difficulty. As I said before, the more distant the markets, the more distant markets found for any commodity, the more cars it will require to handle the same quantity. If, for instance, we had a million feet of lumber to move from Brookhaven, Miss., to Memphis, why, we could move it in thirty days in 10 cars. If they wanted that moved to Boston we could not move it in thirty days in less than 50 cars, or five times as many. As transportation facilities improve and the rates are made such as to permit the shipping of products through to distant markets, just that long we will have to prepare ourselves to build more cars for the same tonnage, that is, the originating road must, or else they must get the cars back from their connections.

Now, the question of delay on terminals. It seems rather ridiculous, with cars averaging less than 30 miles per day, to say that our freight trains are moving on all divisions of the system from 12 to 15 miles per hour; that is, all freight trains on all divisions. We have very little overtime; that is, where they are out so as to make less than 10 miles an hour.

Commissioner LANE. Take your cotton trains running from Memphis, what will they average?

Mr. DALY. They will average about 12 miles per hour.

Commissioner LANE. And what is the distance?

Mr. DALY. Four hundred and fifty-seven miles.

Commissioner LANE. What time does it take you to make that run for each cotton train?

Mr. DALY. Well, that would be pretty hard to estimate. In the running time it would be, I should imagine, about forty-eight hours.

Commissioner LANE. I mean, take the average train, at the most congested period of the cotton season, we will say along in October or November?

Mr. DALY. One train might average six days, and another train might average ten days. It depends on the manner in which they get in and out of the terminals. That is a point I think which needs explanation for this reason: If a car is only moving two hours out of every twenty-four, it must be standing the other twenty-two hours. Now, where is it standing? If on terminals, for what purpose? Now, that is a point that is difficult to answer except in this way, that if, for instance, we load a car of coal to Chicago, it may be consigned to William Brown, and it comes into the Wildwood yard, among a lot of other cars, some for south Chicago, and some for other points. Now, that train as it comes in is passed over a gravity track, and this car is marked "hold," because we do not know where William Brown wants it. He sends some to the yards, some to north Chicago, some to Englewood, and some to other places. So the car is passed over, and it goes on to the "hold" track, and it is then pulled with a transfer engine and put into the "hold" yard.

Notification is sent to the lower yard here at Chicago, which is 15 miles from the coal yard out at Englewood, and the agent then notifies Brown that this car has arrived, and he asks him for disposition of it. We allow Mr. Brown two or three days, in which time he can arrange for the disposition of that car of coal. At the end of five days he says, "I want that car sent to Jones at North Chicago, or Fullerton avenue on the Milwaukee track." We must then make a bill for North avenue and Fullerton avenue on the C., M. & St. P. That is taken down, and we find that car among 1,200 or 1,500 cars of coal, and we put the bill on, and the switchmen, when they pull that track at night or the next morning, pass that car into the working yard again. It goes in there with cars which are to be delivered to other roads. It goes over gravity and goes to the Belt and they make a delivery to the Milwaukee. The next car to it may be going to the C., B. & Q., and the next one we may deliver ourselves over at the stock yards. So that we then pass the car on to the belt—we give that car to the Belt railway. Now, it is next to a car that is going to South Chicago with grain, or something else on the Belt, and they must necessarily haul that car to their classifying yard and sort it out from the different cars that belong to or are going to the Milwaukee. They take it then, and deliver it that night or the next moring to the Milwaukee.

The Milwaukee finds that it is next to a car that is going to St. Paul, we will say. They have got to pass it, and sort it out, and set it onto a track where the switch engine that waits on North avenue and Fullerton avenue will take it. Consequently, in the average, that has taken from twelve to fifteen days to get rid of that carload of coal after it struck this terminal.

Commissioner LANE. Well, what is the necessity of its ever coming into Chicago? Why not adopt Mr. Midgley's suggestion?

Mr. DALY. I did not hear his suggestion, but if it is opposed to the question of reconsigning, then I am with him.

Commissioner LANE. That was not his suggestion exactly, but he said, why should all of this business that is destined at the outset to some other place ever come in here and get mixed up on the local terminals? Why doesn't it stay outside?

Mr. DALY. Well, so it does to a certain extent. We keep it on the outside, 15 miles out here, until the consignee has disposed of it.

Now, to make that clear, I believe what we need is to understand ourselves on these propositions, and simplify matters as much as we possibly can. If the United States Government were to handle United States mail (and that is nothing more than these 2,000,000 cars, we will say) in the same manner, or were compelled to handle the mail under similar difficulties, it would perhaps make a good illustration. They have 2,000,000 letters, we have 2,000,000 cars. Each letter is addressed to a different man at a different point, and each one must find a certain route over which to travel to reach that point and the party to whom it is addressed.

Now, assume that I address a letter to Mr. John Jones, at No. 12 Broadway, New York, notify William Smith at Pittsburg. They would necessarily have to put that letter into the Pittsburg pouch. When it got to Pittsburg they would have to notify William Smith, and say, "What will we do with this?" He would answer, "Well, hold it a few days, and I will tell you as soon as I can find out whether John Jones wants it or not." Then he comes back and tells them. They have got to readdress this letter, put it in another pouch, and send it to John Jones. If the United States Government should undertake to handle its mail business—the mail business of the public—the same as the railroads handle their traffic, for the convenience of their patrons, it would find itself as confused and mixed up as the railroads are to-day, and it would require just double the facilities that it has now for the handling of that business.

Returning for a moment to that car of coal proposition, I believe that if John Smith wants it at North avenue, it should have been billed to him when it first passed over gravity. Then it would have gone on to the belt track, and that would have saved from three to five days' delay in switching, and an expense of from $2 to $5 incurred in that service. It costs money every time you put a car from one road to another, and that money is not forthcoming on all shipments. But that, I think, is one of the principal hindrances that the railroad meets with daily, in handling the business properly.

Commissioner LANE. Do the railroads themselves have sufficient power by rules or otherwise to regulate such practices as that of reconsignment?

Mr. DALY. They have at some points, and at other points they have not. Some State railroad commissions say that you must afford certain facilities and certain concessions. Take for example the commissions of Mississippi, Louisiana, and Texas and some other States—they tell you "where to head in," and what you must do. Custom also makes it. If one railroad undertook to revolutionize the practice it would have no business during the dull season, and it would have a car shortage during the busy reason, when it could not get cars from anybody else. But I think the railroads should start it and see whether they can do it or not. I think it can be done to a great extent, and it would help the operating department immensely. Of course, I can not answer for our traffic men or what they would say about it.

Mr. MARBLE. You think that if you could accomplish that more people would be accommodated with transportation during the busy season, although some would not be accommodated with warehouses?

Mr. DALY. I think that if the unnecessary delays that now occur to equipment in what you might term the accommodation of patrons

or affording extraordinary privileges to the shippers or the shipping public, were eliminated, there would be no shortage of cars, and there would be less demand for an increase in terminal facilities, for the reason that all of these cars so held are occupying valuable terminal room, waiting for somebody to sell their contents. It is a very serious point in transportation matters to-day to obtain facilities and space on which to do your business. I think that really the railroads have outgrown their facilities of years ago that were then ample in the inner belt here, and some have been compelled to move out 12 or 15 miles. I also believe that any number of large manufacturing plants have outgrown their capacity in the inner and more densely populated districts, where twenty years ago they had ample room to store their raw material, such as lumber, coal, and iron. In the last fifteen or twenty years they have put buildings up where they used to have storage room, and to-day they are working night and day in plants that are operating on a twenty-four hour supply, and sometimes less, of fuel.

These terminal roads and belt roads are obliged to wait on them, not once a day, or once every two or three days, as they used to do, but every six hours or every twelve hours, and the railroads that bring in the coal must carry a sufficient stock out in their yard for five or six days in order to prevent a shortage at some of these industries that are not equipped so as to protect themselves with coal. That brings about a situation which is, of course, to the detriment of another shipper who is short of cars to handle a commodity that he can unload at once. So I say that I believe that the industries must, like the railroads—the large manufacturing plants must, like the railroads—find a location outside of the densely populated district, where switching work is not interfered with every few moments by suburban trains and where you are not interfered with in getting your stuff in to them; where you are not hampered by city ordinances governing the running of trains over street crossings, and so forth, hampered by street cars and street-car tracks and things of that kind, and where you do not have to drag the stuff slowly to them.

It is a matter wherein, perhaps, the railroads are largely responsible, but I think a large portion of this responsibility rests with the consignees that do not provide themselves with reasonable storage capacity, so that they can take the stuff and unload it more promptly, put it into stock, and release the cars.

Mr. MARBLE. Now, Mr. Daly, to find a remedy for this situation, do you expect it to come from the consignees? Do you think that they will of themselves remedy this situation, or do you think that the responsibility is up to the railroads to so change their rules that it will be to the interest of the consignees to release these cars?

Mr. DALY. Well, I believe it is a great big proposition to deal with, and too big a proposition to guess at. There have been several remedies touched on already.

Mr. MARBLE. Well, the question of reciprocal demurrage has been brought up.

Mr. DALY. That will never accomplish anything. A railroad is more anxious to put its cars in service and keep them earning money than the consignee is, and just as anxious if not more so than the shipper is to get the car. It stands to reason that if a railroad can

possibly expedite the furnishing of cars it will do so in order to increase its revenue; and a penalty put onto anybody, shipper or consignee or railroad, that is doing its best is a vicious penalty.

The question of reciprocal demurrage is in another sense a bad proposition. For example, here is a railroad that has but 50 per cent of the equipment to move its business. I am a shipper during the dull season, and I have got a lot of grain that I have thirty days to get to market. I know this road here has not got the cars, but I simply order 50 cars from them and the agent accepts the order. He makes it a point, or he can make it a point, to fail to furnish those cars within the free time, so that I get $3 a car out of him in the shape of a demurrage charge, which is nothing more or less than a refund or rebate, but given in such a way that it is impossible to locate it.

Now that shipper could have shipped his business on our road during that same time. We had hundreds of cars standing idle, perhaps. The little road won't ask us for our cars during that period of time. They know that if they give as good service as we give and do not make these refunds, that we would probably get the business anyway. Again, it is a thing that can be manipulated, and any rule that can be manipulated is not a good rule to put into the hands of promiscuous people.

Commissioner LANE. Is there any greater danger of that system being used for rebating than the system of allowing the cars to stand over the forty-eight hours?

Mr. DALY. Under the car-service instructions and rules a man that permits a consignee to carry cars over the free time, agent or other, is, you might say, willfully stealing. At any rate, he is disregarding all rules.

Commissioner LANE. We do not necessarily presume that all these rebates or practices that are illegal are willfully done by the agent.

Mr. DALY. Yes; but they know they are doing it. They know what it means. Now, the practice that I condemn is that possible to be indulged in by a road that is continually, during the dull season, keeping its cars on another part of the system, and don't move them from there until this grain that I have to ship has an average of about $2 or $3 per car reciprocal demurrage on it, and then I tell that road: "If you don't order the cars immediately and get them here I will load to-morrow on the other road." I get my cars, but if the matter comes up afterwards it will be impossible to put that man on the stand, or the manager of that railroad, and get any information out of him. They have done all they could to get the cars. The cars were not there; they did not have the cars, and there would not be any incentive to build enough cars on the part of the weaker road, because he could always get the cream of the business by being short during the dull season when every railroad wants the business. To-day we would be glad if anybody wanted to part with 2,000 cars, say, and we would put them to the best commercial use we could give them, but during the summer months we want the business.

Commissioner LANE. Well, take for example a road which does not seem to appreciate its obligations as a carrier.

Mr. DALY. That is what I was coming to now. I think the solution of that is the increase in the per diem rate, which in my opinion is a very good and wise move—the increase to 50 cents—because there are certain small roads that now order from 250—one road will order 250

and another one 300 cars, but when they find that borrowing costs enough to make it pay them to build their own cars they are going to build them. That increase in the per diem rate will create a certain relief. The next relief ought to come, if necessary, to be fair in the proposition, from some law or some body of men (the Interstate Commerce Commission or others) who shall, if necessary, compel each railroad to supply itself with a reasonable amount of equipment to take care of its business during its busy season. But if the thing is limited to one or two roads and they are put on the same level, then the road that has actually done its duty is condemned with a reciprocal demurrage proposition, and to them the penalty is applied just the same as to the road that has not done its duty.

For example, if a railroad here at Chicago, the Lake Shore, for instance, should become blockaded, and we had to hold in here for them a lot of cars, 600 or 700 cars, that would retard the delivery of the other cars to the connection here by reason of our terminal being blocked. Why? Because we are holding the other fellow's cars. He can not take them, and we can not reconsign them to some other road. He is putting us in a position where we are violating a rule and failing to furnish a man with some cars, and while it is not at all our fault, we are penalized for it. That is not fair, and that penalty will not improve the condition. If a road don't want to build cars to take care of its own business, a penalty assessed upon them for delay won't bring about the building of cars unless you put it so high that there will be a profit for the investor that puts his money into cars, so that the man that retains them unduly will be at an actual loss. Then you are going to get them to build cars.

Mr. MARBLE. The question I asked you was this: Criticism is made by the railroads of the shippers and consignees that they hold the cars an unreasonable length of time and use them as warehouses, and that criticism seems to be justified. What I want to ask you is, can it fairly be hoped that the remedy for that situation will come from the shippers or consignees themselves, or does it result from an advantage taken of the rules of the railroad company which the railroad must take the initiative in correcting?

Mr. DALY. It is an advantage which they take of the railroad rules and the privileges which have been given either through competition or on account of the dealers getting so strong that they are in a position to tell the railroad what it must do. If a railroad undertakes to reduce the free time, which is one of those defects in the system—too long a free time at terminals—they object to it on the ground that it is injuring their business, yet they are blockading the terminals with dead cars that should be moving.

Mr. MARBLE. Can you hope that these shippers will put a remedy into effect?

Mr. DALY. No; I don't think they ever will. I think it is up to the railroads to do it, and it is up to some body of men to tell the railroads that they must do it.

Mr. MARBLE. You think then that some body in authority must compel the railroads to do it?

Mr. DALY. Yes; because the railroads must do it uniformly. One road can not do it alone, and neither should one railroad advocate it alone.

Commissioner LANE. What do you mean by saying that it is up to the railroads and up to somebody to tell the railroads that they must do it? Must do what?

Mr. DALY. Why they must get the maximum service out of their facilities and their equipment in order to take care of and protect the traffic offered them. Now, if we are permitting five days free time, and the reconsigning of coal or lumber and other stuff at Chicago, it is tying up a lot of cars and we are not getting the maximum service out of our cars.

Commissioner HARLAN. You would like to have some authority, then tell you to cut down the time, tell all the roads?

Mr. DALY. Well, we will the 1st of December cut down the coal free time to three days, although the rule at Chicago is five days uniformly. Now, our people may become very much displeased at our treatment of them, our own patrons, and they can put their orders on another railroad in the summer, or from now on, and we will lose by it. But if all the railroads uniformly offered the same treatment, then no particular railroad is injured.

Commissioner LANE. There might be a different rule provided to be effective in one place than in another?

Mr. DALY. We must make some provision for these people that have not got coal storage to take care of them. Right here in Chicago, necessarily, under the conditions existing, we must make some provisions for them. For instance, take the Union Stock Yards. There is a place where millions of dollars are invested. We could not go out and say to those people that, "We will not carry a reasonable supply of coal for your plant," because we have been doing it for years, and it would be almost criminal to undertake to stop that right away.

What I am saying is, that I believe that the large manufacturing companies themselves, or many of them, have not ample facilities to store a reasonable supply of raw material, and they should find better facilities outside where they could do it, and I think they will eventually be compelled to do so. Otherwise our expenses will increase from year to year in taking care of the traffic.

Commissioner LANE. Well, that is one rule that you would have some power to enforce, the rule as to the limitation of the free time?

Mr. DALY. I think that is correct; yes, sir.

Commissioner LANE. What other rule should there be as to reconsignment?

Mr. DALY. Well, I think that there should be some fair rule which would afford the shipper, the large man, that does not hold or reconsign cars, justice as against the man that carries his brokerage office in his pocket. This man that reconsigns from this point to another point is retarding the car from two to three days at each point, and that is equal to three dollars in the value of the car, and in that way he is running the other man short. If he gets two or three reconsignments, that is $6 or $8 that he has cost the company. His shipment has cost the company $8 more to handle than that of the man who billed his right through to the point where he consigned it. Now, that $8 comes out of the gross earnings of the company, and the man that handled his shipment promptly has stood his proportion of that $8, when he should not be compelled to stand it.

If, in the other words, we get $40 from both of them on the same

quantity of lumber, we will say that one man stopped it three times, and reconsigned it until he got a chance to sell it. The other man is a business man, has large interests here and yards. He bills his stuff right straight through. The car which he billed through went through in five days. The car that was held back came through in fifteen days. Now, that man that reconsigned his shipment cost us the loss of the use of the car for ten days, or a minimum of $5, but he don't pay it. There is no charge on it. The other man was charged $10, and we made $5 more net profit out of him than we did out of the first one. Consequently, I believe that each individual shipment should stand its cost of transportation individually—each commodity; not to make a lot of money on lumber and lose on coal, or make a lot on coal and lose on lumber. If you offer a privilege on certain commodities to the detriment of other commodities, you are discriminating more or less in favor of the first one. I do not think that is fair, and I do not think it has been looked on in that light.

I have got one more point on this question of coal car supply. We are short of coal cars and have been. We are short of coal cars, in my judgment, for the reason that we are loading in the cars company coal to-day. We are loading about 275 cars a day at the mines for our own use. We are taking probably 30 or 40 cars of chute coal direct from the mines onto the engines. That is our consumption, about 300 cars a day. Last year, and every year for the past four or five years, we have stored a large quantity of coal on the ground. This year we did not, for the reason that during the months of April and May, and indeed up to the middle of June, we had a strike all over the country. During the months of April, May, June, and July—those are our dull months, on coal and freight traffic. We aimed to load an extensive supply of company coal during that period and haul it to our most distant points in Louisiana and Mississippi, in Iowa and Dakota, and there unload it on the ground. Ordinarily we keep as high as from 350,000 tons to 400,000 tons of coal on the ground during the summer for our use during the winter. The fact that this strike was on during that period prevented us from getting coal during the time that we could handle it to the best advantage. Now, that has caused this effect: We are obliged to take 100 cars a day to put into the company coal traffic, which cars ordinarily would have gone into the commercial traffic. That 100 cars a day for thirty days requires 2,000 cars. A car will make two round trips to the mines in twenty days from the farther points. They make one trip and a half a month—cars loaded with company coal—on account of the delay in switching and in terminals. That has taken 2,000 cars now to protect our company fuel, and those are cars which, had it not been for the strike that I have mentioned, we could have thrown into the pool for commercial business.

Now it also affects the handling of business on these terminals. We are bringing in on the terminals here, to go south toward New Orleans, this company coal every day, which would not be passing through here now under ordinary conditions at all. We would be doing that much more commercial business for our patrons, and also it follows that we would have that many more engines for commercial use that are now being used in taking care of the 100 cars a day. Had not those conditions been forced upon us we would have had the benefit of that power. Now, that is taking away from us all those facil-

ities by reason of being obliged to handle company coal now instead of during the summer. Of course, that is not a thing that can be prevented. The strike was there, and that is all there was to it. We had to make the best of it. After the men resumed work, the coal supply available at industries and other places had been exhausted practically, and they had to replenish a certain amount of that, and we were unable to get the surplus coal for company use because it was then being taken up in replenishing the stock that had been used up on account of the strike.

Commissioner HARLAN. Where do you get your coal?

Mr. DALY. We have got 142 mines on our own railroad in southern Illinois, in Lasalle County, in East St. Louis, Kentucky, and elsewhere.

Commissioner HARLAN. Are you able now to furnish the coal cars?

Mr. DALY. Not all that are required.

Commissioner HARLAN. How much are you short?

Mr. DALY. Well, we are short—the orders will go about 250 cars a day. We have a supply Monday, Tuesday, and Wednesday, as a rule, but the latter part of the week we will be 200 or 300 cars short.

Commissioner HARLAN. Suppose a man kept a standing order for 25 cars a day?

Mr. DALY. He would get 75 to 85 cars a week.

Commissioner HARLAN. Seventy-five to 85 per cent?

Mr. DALY. No; he would be getting about 60 per cent—not over that. That condition, of course, is one that we could not foresee, neither could we build or buy cars in the endeavor to prevent it after that strike occurred. That is simply a condition brought about by the strike, and it is going to remain until normal conditions prevail once more.

Commissioner HARLAN. You do not attribute the shortage of coal in the northwestern country to that, do you?

Mr. DALY. No; they get their coal mostly from Duluth.

Commissioner HARLAN. And these mines do not supply Duluth?

Mr. DALY. No; we did supply the Northern Pacific and the Great Northern with some company coal, I think, not long ago. They have got more facilities now of their own, engines, &c. and the commercial coal is being taken care of from those cars—hay and coal.

Mr. MARBLE. Has the Illinois Central sufficient power?

Mr. DALY. Ample. There is a full supply of power, and the power was never in better condition. We have not any congestion of any kind anywhere on the system. The system is absolutely free and open, enabling us to move business promptly and regularly.

Commissioner LANE. Has there been any congestion in the Gulf ports?

Mr. DALY. There is a big one at Galveston.

Commissioner LANE. I mean on your line.

Mr. DALY. No, sir.

Commissioner LANE. What Gulf port do you reach besides New Orleans?

Mr. DALY. New Orleans is clear. I was down there for ten days recently.

Commissioner LANE. Is that the only port you reach on the Gulf?

Mr. DALY. Yes; that is our export point, and it is now entirely clear, and there are ample facilities for everything that comes in

there. It is in splendid condition, and it never was in better condition than it is to-day.

Mr. MARBLE. Why are not the rails of the Chicago Union Transfer Railway Company (I believe it is called that, these yards outside here)—why are they not more generally used?

Mr. DALY. That is the Stickney track?

Commissioner LANE. It is called, I believe, the clearing track.

Mr. DALY. I do not know. I could not answer that. I have seen blueprints of it, and the various companies have committees investigating it. That, however, is a very serious proposition for railroads to undertake, to abandon their own facilities now, and open up in some new point. Such a thing takes time to work it up. There is no question in my mind but what, in time, the roads that have not facilities in the outlying districts and that are dependent on doing their business mostly down in this congested field will have to go somewhere, and that would be their point.

Mr. MARBLE. Do you think it is a practicable plan that is being worked out there?

Mr. DALY. Well, I think it can be made practicable. But whether it will be at a greater expense than they now incur in handling the business themselves is another feature. It may be that it is so big that it would be an enormous expense imposed on those roads that come into such an arrangement; still the volume of business may be such and it may be so handled that it may minimize the expense per car.

Mr. MARBLE. To be large enough to be equal to the situation in Chicago it would have to be too expensive for a small business, I presume?

Mr. DALY. I think so.

Mr. MARBLE. In transporting cotton or grain, how many hours on such shipments are cars delayed at each terminal point? Take shipments going 300 to 500 miles—and when you are telling us how this train would move, tell us what you estimate the delay to be at division points.

Mr. DALY. Well, the delay could not be over twelve hours at a division terminal. If the density of the traffic is sufficient——

Mr. MARBLE. You mean twelve hours for each 100 miles?

Mr. DALY. Yes, at the end of every district; but if the density of the traffic is sufficient to justify the making up of a solid train at the initial point to go through to final destination that time could be reduced. For example, if at Chicago the Lake Shore has traffic enough so that they can pass it over a gravity track and make up a solid train for New York on one track and on another track a solid train for Philadelphia, and on another track a solid train for Boston, when they start them out that train then is not broken at all until it reaches destination, unless, of course, a car becomes in bad order by a hot box, or something of that kind. Ordinarily traffic will not permit going to the expense necessary of equipping your terminal with that kind of a yard for that kind of business. Consequently we must, on the Memphis and South business, build our trains up with traffic for Cleveland and Vicksburg, Natchez, Baton Rouge, and all points. When it gets to the terminal, they must break that train up and cut out the cars that are for that point, and for the local stations that are between there and the end of the next district, and those cars go out on the way

freight in the morning. That is done to prevent this train of which I speak from having to stop in its farther progress to set cars out. Of course, under those circumstances your switching power must be held in readiness to take care of that train, and you are constantly breaking trains up, and where the conditions of traffic are heavy it is impossible to build up trains solid in that way, and it consequently takes considerable time to get through division points.

Mr. MARBLE. Do your export cotton shipments lose twelve hours at each division point?

Mr. DALY. No; not on the average export business. That is handled in solid through trains at a higher rate than the ordinary domestic cotton, domestic flour, or coal, or other low-grade traffic like lumber. Export is considered rush freight, for the reason that we have got to make boats that are tied at the dock waiting for the freight, or else we delay them.

Mr. MARBLE (referring to an exhibit prepared and produced by Mr. Daly, for this hearing). This equipment sheet which you give us is made up from the records of the company, and is correct?

Mr. DALY. Yes, sir.

(The same is hereto attached and marked Exhibit No. 1 to Mr. Daly's testimony.)

Commissioner LANE. Suppose that you find a railroad which takes for a direct haul of 350 miles an average of more than ten days on a train, trains that are made up as a whole for one point, what power should be exercised to remedy such a condition of things?

Mr. DALY. Well, it depends upon what their conditions were. If they were just recovering from some washout, or serious accident——

Commissioner LANE. I am talking about normal conditions.

Mr. DALY. Well, under normal conditions, I do not think that should exist at all.

Commissioner LANE. What kind of a rule could be put into effect there, which would prevent such a condition of affairs?

Mr. DALY. I think the consignee should bring suit for damages.

Commissioner LANE. That is a very unsatisfactory and inadequate remedy, is it not.

Mr. DALY. Well, it is a safe one at any rate. It is then handling that individual case on its own merits. We have suits brought in Mississippi for failure to handle cotton during the years of 1903 and 1904. We had a good deal of trouble then with our power, and we were double tracking our road and were rather demoralized by construction work. We have suits pending there, and of course those people knew at the time that the freight was offered to us, what the conditions were. But it is up to the jury that are on the ground, men located in that section, to weigh the matter and determine the case on its merits.

In the instance of which you speak (replying to Commissioner Lane's inquiry, as to a 350-mile run) I do not think that for me to say that that road should handle that traffic over 350 miles in five days, or seven days, would be manifesting any intelligence at all. A man would have to know what the conditions were.

Commissioner LANE. Well, here, we will say, is a line——

Mr. DALY. On the general proposition I would say that they ought to do much better than that.

Commissioner LANE. We have some figures presented to us, I think, which show that, taking several hundred cars together, those cars would average 300 miles distance traveled in approximately twenty days—twenty days taken to haul the cars that distance. Now, supposing that there is a policy followed, which leads to that result: Can you suggest a remedy by which that policy would be changed, and by which it would be made to the interests of the company to see that it is changed?

Mr. DALY. I don't know. I think that the higher rental of the cars in their service would very soon straighten that all out, because they could not afford to allow cars to spend twenty days' time in their movement, because at a dollar a day it would eat up their profits.

Commissioner LANE. Suppose these are their own cars?

Mr. DALY. That can not very well be. They can not afford to build cars. A road in that condition is badly congested with foreign cars and it is in a position of "having bitten off more than it can chew." If they have had a strike of their machinists or something of that kind during the summer, when they should have been putting their power in shape, and they go into the winter with the power in bad condition, they are then in a position where they can not move the traffic in less time. If the power is all in bad shape, they can not stop it all and put it all in the shop without closing up, and I presume that they are trying to struggle through with it. But if the rental on the cars is put to a sufficiently high point, it will soon bring them to move their cars in less time. That is, if there is a man who is delaying them, he will be called to account, and there is more money to be made by moving the traffic more rapidly than by letting the cars stand on the side tracks, loaded or empty, and if they move them more promptly, that is what we want.

I think that the increase in the per diem rate will prove to be a big incentive toward bringing about more prompt movement—an increase in the per diem and less of these concessions to shippers and consignees. When we find we have got to pay 50 cents or 75 cents for a car, and a man wants to hold it for ten days, we must necessarily say to him "You must pay us $5 for the privilege." Nowadays we don't tell him to pay anything, but we should make him pay rental on the car, and the switching expense required, and I believe that the higher rental will bring about largely all the benefits that we are looking for. I actually believe that. We are just now getting to a point where the executive officers are appreciating that fact, and are giving to us what we asked for 20 years ago, a higher per diem rate.

Commissioner LANE. That is the opinion of operating officials of railroads generally?

Mr. DALY. Yes, I think it is.

Commissioner HARLAN. One of the States, I believe, has certain legislation requiring an average movement of 50 miles per day for each car. Do you think such legislation as that would be remedial in its nature?

Mr. DALY. No, I think that the railroads naturally will move the business. They must do it. I know we take up the delay in moving business. Where a delay occurs we take it up with the division superintendent, and he with his train master, and it is investigated thoroughly every time. All we can say to them and all we can do is

said and done to hurry the movement. We are after that proposition all the time.

Concerning the legislation of which you spoke, that would require all kinds of bookkeeping to figure it out. Here, for example, is a car out of Boston going to Sioux Falls. Now, what roads did it go over? What route did it take, and what was the mileage? Has it averaged the required number of miles per day since it left the initial point? If we made 160 miles on one division, then we could drop down and make 80 on the next, or do nothing the next day, or just enough to-morrow and the next day to still be within the law. I think that is a difficult proposition to be determined or to keep a line on—to keep a check on. You can see how the question of delay enters into it. Presumably the date taken, would be the date on the bill of lading. For instance, you have got to go from the bill of lading. Now, on that car out of Boston, suppose the Belt Railroad of Boston may have held that car 10 days on their track. Then the other people must overcome that 10 days or we must show where it belonged and place the fault where it justly is due in order to get rid of the 10 days delay and balance up the time at 80 miles per day, or whatever the required amount is. It would be an awfully difficult proposition to handle.

I think, though, that railroads are constantly improving their facilities and their power, their equipment, their roadway, and everything else, more ballast in the roadbeds, better and heavier rails, and better power, and making every effort to get into shape to do what is right.

Commissioner LANE. You do not think, however, that self-interest is altogether a sufficient motive to bring about acts which will obviate these conditions, because you advise that certain rules should be forced on the railroads by outside authorities?

Mr. DALY. That is what I say, but give us a rule that is practicable. I do not think it is fair for any corporation or anybody who builds a railroad, knowing that they will require 10,000 cars, to build that railroad and only equip it with 1,000 cars. If they could not equip themselves with the cars that the Government required them to, or should require them to, then they should not start to build it. If they do start to build it, then they should stand their proportion of the general expense of conducting the transportation which they originated.

Commissioner LANE. Now, then, if self-interest is not sufficient to insure good public service, would it not be better than that the authority you speak of should be vested in some person that the result should be accomplished in some other way? That, for instance, when I ask for a car to be delivered at a certain point to be loaded with coal, if my order is in there for three weeks, we will say, and I tender the money for the transportation at the schedule rate, that after a certain time, if I can not get that car, you shall be penalized to a certain extent, allowing always, of course, reasonable leeway.

Mr. DALY. Well, the railroad would take care of you all right, there is not any question on that, but you would still suffer if you were a big shipper. Take the lumber shipper in the South, or the grain shipper or any coal shipper. If the lumber shipper orders from me to-day, or you order five cars to ship to Chicago and three cars to ship to St. Louis, you will say that is on the 21st or 20th of December. Now, I

take a record of that, and I am given three or four or five days, I think, in which to furnish those cars to you, am I not?

Commissioner LANE. Yes, you are given a certain time.

Mr. DALY. Very well. Now, then, to-morrow you place another order and the next day you place another order, and on the fourth day you come in and say "I want two cars that you gave me to-day on that St. Louis order, I want to apply them on a Detroit shipment, or a Montreal shipment, or a Boston shipment." Suppose I undertake to accommodate you in that regard and cars on the other orders are therefore delayed? For that I am penalized. I say then, "No, sir. You have put your order in, and it must be filled the way you gave it." That is, the agent, after he has paid about a dollar or two dollars of this penalty to the company, on account of his negligence or his action, will take a different position. The company may assess it over against the employee, and he will say: "The company is fighting me, they are not my friends, and now I am going to live religiously according to Hoyle. I accommodated this fellow last week, so he could get a sale, and I took chances. I obliged this fellow, and brought down upon me a penalty because of my favor to him." So, I say to you, "No, sir; you can not ship those two." You show me a telegram and you say: "Here is an order; can you ship me such and such dimensions? What is your price?" Or, "At such and such a price." Now, that is a dollar or two dollars a thousand feet better than you can get at St. Louis or Chicago, but in order to get it you have got to ship it to-day or to-morrow. I say, "You will get the car within five days."

They will get arbitrary, the agents will, just the same as others. They are human beings, and have all the frailties that anybody has. And in place of the privileges that we can now extend you on the give and take basis, we would be curtailing you and you would have to ship your produce in the cars which you have ordered for that particular purpose.

Commissioner LANE. Well, if the shipper has the benefit of the give and take proposition, then he of course waives the obligation on your part to furnish him with the cars. It is only when the shipper knows definitely what he wants and orders it that you would be in any way responsible.

Mr. DALY. If we refuse to allow him the two cars for Boston, and he loses that shipment, it then may be placed on the New Orleans and Northeastern, and we lose that haul; and while we still get his two St. Louis cars and five cars for Chicago, that is where it hurts us; but, by the liberal, give-and-take, help-each-other policy he would be given facilities for those two carloads of business to Boston, and we would probably take care of the other business that he might have within the five-day period. But the agent's instructions would be, "You must deal out those cars according to the manner in which the orders for them are placed, and the shipper must ship to the point where he orders the cars for, and if you do otherwise you take the chances."

Commissioner LANE. Here are the facts that appear in our record: That a man orders a car or three cars on the 21st day of October, and when the 25th day of November comes around he has not yet received those three cars. Now, that is not a single solitary instance, but there are many cases of that kind, accounts of which we have in the

record of this hearing. What I want to know is, what remedy can be devised, through the railroads or otherwise, by which such a condition of things can be and will be relieved.

Mr. DALY. The only thing I can see in a case of that kind is that the order has been mislaid somewhere, in the dispatcher's office or in the agent's office.

Commissioner LANE. But there is no excuse of that kind made.

Mr. DALY. Then the agent did not make the proper effort to get the cars. I do not think any railroad has been thirty days short on cars. I think our shippers can not complain of any such condition as that, and I think that in the instance of which you speak other shippers must have received cars that they had ordered after these particular cars were ordered. I do not think that any railroad is in that condition. There must have been some misunderstanding, or some error in the placing of the order.

Commissioner LANE. Why not say that it is due to mismanagement?

Mr. DALY. Well, it is about the same thing.

Commissioner LANE. Would you not think that there should be some direct way of penalizing that mismanagement?

Mr. DALY. Well, I do not know how you could do it, unless it would be to penalize the agent that did not call the dispatcher's attention to it from day to day—not necessarily every day but every few days, every little while for a week. The difficulty is, or one of the many difficulties, that if you discharge him you get a worse one, or probably, what is even worse yet, you get none at all; because the market is about as scarce on good agents as it is on any other kind of labor.

Commissioner LANE. In the case that I had in mind there is no such excuse as that. The attention of the heads of the railroad were brought to the matter by telegrams, and the demands that had been made on the local agent, and there had been no relief given.

Mr. DALY. According to my view of the matter, the shipper and the consignee should receive from the railroad, with which they do business, reasonably fair treatment. If they do not, or if they are damaged, I believe that the railroad should be made to pay for it. I do not know of any way of achieving that end better than by a damage suit brought in the regular way in court. What I am criticizing among other things, are the theoretical rules that have been advanced as solutions for the present difficulties. What I want to see is a practical rule. If there is such a thing I want to see it. The railroads have made mistakes in the last 20 years in adopting certain so-called reforms on the spur of the moment. They have been sorry for it afterwards.

We adopted a penalty rule on the per diem that we were very sorry for, and that did not work out at all to our satisfaction. That rule was to the effect that after a road held a car for thirty consecutive days, the road would pay 80 cents penalty, and 20 cents per diem, making the total sum a dollar for every day they held the car over thirty days. We thought that was going to be a means of affording considerable relief; but the result was that about the twenty-sixth or the twenty-eighth day the road that had had this car for that length of time would immediately load it and send it to

the other end of the country in order to break the thirty-day rule, and they would then pick up a new one. Now that taught us this lesson: To try out our rules before we adopted them; to see where they are weak, and test them, and if it is a rule that is going to give us relief, then put it into operation, but if it is not to eschew it. If it is a rule that is impracticable, to drop it, and such I think reciprocal demurrage would be.

Mr. MARBLE. There is a gentleman here who wishes to ask Mr. Daly some questions, if the Commission will permit.

Commissioner LANE. Very well; proceed.

Mr. BERRY (of the Berry Coal and Coke Company, Fischer Building, Chicago.) You say it ought to be necessary for some power outside of the railroads to compel the companies or force them to compel the shipper to give the final destination of cars when he makes a shipment in order to avoid the delay consequent to reconsignment and so on.

Mr. DALY. Well, I think something along that line is necessary; yes.

Mr. BERRY. And you say that the only power that could do that would be the Interstate Commerce Commission.

Mr. DALY. Well, I would assume that that would be the natural channel through which they would take action or from which some such rule should come.

Mr. BERRY. And you say that the railroads themselves could not agree on that among themselves?

Mr. DALY. No; no more than they could on rates.

Mr. BERRY. Did they have any trouble in agreeing several years ago as to the formation of the Car Service Association?

Mr. DALY. No; I do not know that they did.

Mr. BERRY. And it has been in operation about twelve or fifteen years, has it not?

Mr. DALY. Yes, I think it has.

Mr. BERRY. Never has had a break in it, has it?

Mr. DALY. Well, no; not so far as I know. It has never been disorganized or anything of that kind.

Mr. BERRY. All the railroads are connected with that association, are they not?

Mr. DALY. Well, I do not know exactly. I know there are a great many members of the Car Service Association here, I think about 24 or 25.

Mr. BERRY. And it is a fact, is it not, that only eight or nine of the roads here bring the coal in?

Mr. DALY. No, I guess there are probably ten or twelve.

Mr. BERRY. About seven of them bring in the majority of it, don't they?

Mr. DALY. Yes, four will probably bring in the majority out of the nine or ten or twelve.

Mr. BERRY. Then, as I understand it from what you say, the railroads have no trouble in making an agreement among themselves for all the 24 roads when they get the cars to Chicago and get their revenue out of them, but the seven or eight roads that bring the coal in can not agree upon the proper method of making a final disposition of the coal. Whenever the traffic has been handled and they have

gotten their revenue out of the car, then it is easy enough for them to agree on the matter of car service.

Mr. DALY. Why, I do not know that there is any uniform car-service charge of a dollar a day all through the country. That does not furnish——

Mr. BERRY. Is there not an association here to which every railroad in Chicago is bound, and don't they act together, and isn't the decision of that association absolutely arbitrary?

Mr. DALY. No, sir; absolutely not. We have one agent here, one man, our agent, that takes care of all complaints that are offered by shippers, and he carefully investigates the matter and adjusts it as best he may. Now, we have got a manager and we have provided for the organization of a Car Service Association in order that it may be uniform, and that it may handle the situation with some degree of facility. It is absolutely necessary that we have such a thing, otherwise we would have no car service.

Mr. BERRY. I challenge any shipper in this community, or anywhere else, or any man in this room to state if they have ever had $1 worth of car service or $1 worth of anything they didn't pay for from any railroad?

Mr. DALY. The arrangements have been made, justified by the conditions, so as to as properly as possible handle those conditions?

Mr. BERRY. Has it ever been made except through the Car Service Association, and just one man? Doesn't one man have all the say about it?

Mr. DALY. In any settlement, our agent must approve of the arrangement. He must investigate the case and know that it is right before any arrangement is made.

Mr. BERRY. I ask any man here that is a shipper if he has ever had any communication from any agent of any railroad that he has not had to refer to the one man who is the head of the Car Service Association in Chicago, and if until that man said that a thing could be done that they could not do it—if he has not been told that that was their rule?

Mr. DALY. The car-service manager can not say or do anything at any time until he has obtained from our agent the facts in connection with the case. He is then informed whether or not, in the judgment of our agent, the case is meritorious, and we know whether we are justified in making any refund. As a general rule, we find that our agent is altogether too lenient in recommending refunds.

Mr. BERRY. Does not the agent himself refer you to the Car Service Association? Does not the Car Service Association say—aren't they the people that can make the refund, and are you permitted to make it otherwise?

Mr. DALY. Why, we don't ask the car-service manager for authority on any refund. Don't you understand, he is simply the agent of the railroads of the city, and his decision is not final in any sense. There is an executive committee of the association. If we thought for a moment that he was assessing car service that he should not, and was not assessing car service that he should, it is up to us to investigate it for our own people, to see what is coming to the shipper.

Mr. BERRY. I challenge every man here, and I challenge yourself, if it is not absolutely true, and I can prove it by letters, where every

single time the agent himself states that that is a matter to go to the car-service man alone, and that he must pass upon it, and that no officer of the railroad company can pass upon it.

Mr. DALY. Oh, well; that is in order to have the refunds or the claims taken up uniformly. When he presents a case to our agent for a refund, when the shipper does, we refer him to the car-service manager. The car-service manager must investigate that through our agent, as to whether or not he (the shipper) is entitled to the refund. Our agent must make the investigation personally, and must recommend to the car-service manager—or he must state whether or not the refund is justifiable under the rules, or whether it should not be granted, and the car-service manager is simply there to carry out the rule uniformly on every railroad, and it is necessary to do that in order to obtain the results that are required. If each railroad was left to administer its rules as it saw fit in such matters, and to say, for instance, that it would allow six days on lumber—one railroad—and another railroad only two or three days, you would have confusion, and if there were rules which were applicable at one point, uniformly or otherwise, and were not at all applicable at another, you would simply disorganize this entire organization, and you would not bring about at all what the shippers are now crying for.

Mr. BERRY. The fact is that all the car-service rules are made uniform. It is not a matter of whether the amount is right or not, but it is a matter that one man alone has the power to decide whether they are right or not. I can show you hundreds of letters from the agents, from the commercial agent, and from officers of the different railroads, wherein they say that they have no power whatever to pass on this question, and that any action that they take must be recommended by the superintendent of the car-service association. But we will pass that point. Everybody knows that. The fact of it is that you want the Interstate Commerce Commission to force the railroads to insist upon a final destination for the coal, so that each railroad will be compelled to do it. At the same time you had no trouble here in combining all the railroads in an association, the object of which was to place the car service upon the same plane—all of you; and yet you admit that there are only four or five railroads here that carry the coal into Chicago. Then it resolves itself into the fact that it is a matter of revenue that they can not agree upon. When the car gets here they can easily enough agree upon the car-service, but they can not agree on anything before the revenue is earned. Is it not a fact that the main difficulty is simply a matter of jealousy between the railroads as to the amount of tonnage which each one shall carry.

Mr. DALY. I do not know as to the tonnage and the jealousy you speak about, but I know this, that we have reduced the free time on coal to our consignees to three days, and to five days, when the uniform car-service rule is seven days. We notified the Car Service Association to that effect, and we are going to do that in order to relieve this condition that we have now. The agent of the Car Service Association has been notified that instead of allowing five days, which the rules provide for, commencing with the first of the year we will apply the three-day limit in order to relieve these conditions, and see if we can not facilitate the more prompt movement of cars. He knows what we are going to do, and our agent knows it. He will therefore hereafter, so far as we are concerned, give only three days.

Commissioner LANE. Is there a coal-car shortage in Chicago, or a shortage of coal?

Mr. DALY. No; but if the roads get extremely cold weather or a snow blockade, it will retard the movement of the coal coming in and retard the switching movement after we get it here; and what we are aiming to do is to get all the cars we can to the mines to protect ourselves against this storm which we expect, naturally, in January. It used to be in December, the December storm, but now, inasmuch as we have not had it yet, we will probably get it in January. Then we will get the heavy snow, and that will retard the movement of the equipment. We don't want to get caught then with a shortage of coal.

Mr. BERRY. After you get the car here, and after you have had your traffic out of it, and get your revenue, and when we want that car taken from one railroad to another, they charge us 40 cents a ton, don't they? That might be considered the minimum charge from the nearest point into Chicago. If we want to get a car from the Illinois Central over onto the track of the Lake Shore, we have got to pay 40 cents a ton, haven't we, to do that?

Mr. DALY. I do not know; that is a traffic matter.

Mr. BERRY. Another fact is that the railroads several times have come into the market relative to switching cars from one point to another, but the fact of it is that they made some sort of a—it made some sort of a friction as to the amount of traffic they were getting out of it, and they had to break through on it.

Mr. DALY. I do not quite understand you, but I think what you refer to is a matter that is handled by our traffic department.

Mr. BERRY. There is no trouble in the railroads getting together, as far as the combination is concerned, in the matter of car service here, after they have got their coal to Chicago, and gotten their revenue, but it seems that five or six roads can't agree upon the matter of the final destination of the cars and the length of time allowed for reconsignment, and they want the Interstate Commerce Commission to come in and force the railroads to do that now.

Mr. DALY. I might explain that in this way. The question of car service is handled by our own operating departments. The question of reconsignments and those privileges which are extended and of which I have spoken, in order to secure traffic, are handled by the traffic department, and it is a well-known fact that the operating man belongs to associations. The operating men have associations all over this country, all the railway men do, the master mechanics, the car accountants, and all the others, and those associations get together and we discuss these matters and see if we can agree on certain lines of action. We are doing the best we can. Now the question that you are asking largely refers to the traffic department and traffic manager.

The matter of reconsignments and the various requirements that exist in order that we may please our patrons, the things that I have mentioned, exist in a measure at least through the courtesy of the traffic department, and their efforts to secure business, and also on account of the attitude taken by the shippers, but not through the operating department. We would have condemned such practices the first time they were brought up and we would have been glad to do it. It is costing us all kinds of grief and trouble to break up trains

and set out these cars, and delay them, and rehandle them at intermediate points. We consider it a traffic department matter, and I think it is one which you can, perhaps with more satisfaction to yourself, ask the traffic department about—why they do not remedy it, and you will doubtless have an opportunity to do that when they come on the stand. It is something that we have nothing to do with in the operating department.

Mr. BERRY. It is not a matter as between two departments, when you desire to make a combination, after you have earned your revenue. There is no trouble about your making that combination, but you can not make any combination before you have earned your tariff. That seems to be the proposition.

Mr. DALY. I do not quite get you. You have the best of me there in that I can not seem to understand you.

Mr. HOSTLER. Mr. Daly, you have testified here that 12 miles an hour is the average movement for coal traffic?

Mr. DALY. Yes; while in train.

Mr. HOSTLER. You have also testified that this proposed increase in the per diem will hasten the return of cars from one road to another?

Mr. DALY. Yes; that is my belief.

Mr. HOSTLER. Now, in designating that a per diem charge, is it not a demurrage charge also?

Mr. DALY. Why, it is car hire; that is the proper term for it. It is not per diem, or demurrage; it is car hire. It is the hiring of a car.

Mr. HOSTLER. Well, now, the adoption of the car-service rules has greatly facilitated the unloading of freight at terminals, has it not?

Mr. DALY. Yes, absolutely.

Mr. HOSTLER. Well, now, if the demurrage charge will hasten the railroads in returning cars from one railroad to another, and will hasten the shippers in unloading the cars (as you have testified it will), why would not the adoption of the demurrage rule, requiring the railroads to move their cars a certain number of miles within every twenty-four hours, and requiring them to furnish the cars within a certain time after they are ordered—why would not that hasten the movement of traffic, if a penalty was imposed upon the railroads for their failure to furnish cars required within the stipulated time.

Mr. DALY. There are so many conditions affecting the movement of traffic on long distances, on long hauls, and even on short hauls that it would be almost impossible to frame a demurrage rule, as you call it, to compel a railroad to move traffic a given number of miles per day. For instance, two weeks ago or three weeks ago, we had our entire tracks, for six days—our entire tracks in Mississippi and elsewhere—washed out. We were washed out and we had passenger trains delayed, traffic blocked, and a hundred and one other obstacles to the prompt movement of traffic.

Mr. HOSTLER. That will be the acts of God or the enemies of the country.

Mr. DALY. How many months do you think it would take me with a force of a couple of hundred clerks to answer all the complaints that would reach me to the effect that we had not made 80 miles a day during that period?

Mr. HOSTLER. Well, I know that my coal is congested in transit

and held back and then brought in here in solid train loads. It is held back and they have kept the coal that was due here since October.

Mr. DALY. On what road?

Mr. HOSTLER. I have got coal out here within 25 miles——

Commissioner HARLAN. Have you any on the Illinois Central?

Mr. HOSTLER. Not on the Illinois Central; but I can not get it in, and then, all of a sudden, they bring it in all at once, and if I can't dispose of it right away then they want to charge me so much demurrage. If that coal had been brought forward the way it should have come, I could have moved those cars every one of them as fast as they got in here. We have not held a car of coal on track over forty-four hours since September 1st, with the exception of some smithing coal that congested, and that was due to the fact that the man did not ship the coal that we wanted in those cars.

Mr. M. C. ANDERSON (cabbage buyer residing in Pittsburg, Pa.). I have got something I have to say in regard to car service.

Commissioner HARLAN. Let me make this suggestion to you. You have some complaint of your own?

Mr. ANDERSON. I have, sir.

Commissioner HARLAN. Well, then, I suggest that you tell the Commission about it on the witness stand, instead of taking up the time to interrogate Mr. Daly. We have gone over the ground very thoroughly with Mr. Daly, but of course we want to hear what you have to say about your complaint, and, if it will bring out the points you have in mind more clearly, I suggest that you take the witness stand and tell about it.

Mr. ANDERSON. It is important that I should tell it right now.

Commissioner HARLAN. Has it something to do with the Illinois Central?

Mr. ANDERSON. Not materially, no.

Commissioner HARLAN. Well, you consult with Mr. Marble, and see what he wishes to do. This thing must be brought forward in an orderly manner.

Mr. MARBLE. We will call Mr. Anderson now.

M. C. ANDERSON, called and sworn as a witness, was examined by Mr. Marble, and testified as follows:

Mr. MARBLE. Your name is M. C. Anderson?

Mr. ANDERSON. Yes, sir.

Mr. MARBLE. You reside at Racine, Wis.?

Mr. ANDERSON. At the present time I do, yes, sir. My home, it is Pittsburg, Pa.

Mr. MARBLE. And you are engaged in the cabbage business at Racine?

Mr. ANDERSON. I am at the present time, yes, sir.

Mr. MARBLE. Shipping cabbage in carload lots? Shipping or attempting to ship?

Mr. ANDERSON. Yes, sir.

Mr. MARBLE. To this market, and to what other markets?

Mr. ANDERSON. To all the markets in the Union.

Mr. MARBLE. You have had trouble in getting warehouse facilities?

Mr. ANDERSON. It was impossible to get warehouse facilities at the time I started up here, about the last of October. It was another impossibility to get cars in which to ship this cabbage, and recently we were compelled to do the next best thing, if we intended to operate here in this district, and we leased a piece of ground and piled on it 1,100 tons of cabbage, which the photographs will indicate. [Witness refers to two photographs, showing piles of cabbages said to be located at Franksville, Wis.]

Mr. MARBLE. You had photographs taken of these piles of cabbage, did you?

Mr. ANDERSON. Yes, sir.

Commissioner HARLAN. What demand have you made for cars?

Mr. ANDERSON. I have made every demand possible for a man to make.

Commissioner HARLAN. How long ago did you demand any cars?

Mr. ANDERSON. Sixty days ago.

Commissioner HARLAN. From whom?

Mr. ANDERSON. From the Chicago, Milwaukee and St. Paul.

Commissioner HARLAN. How was that demand made?

Mr. ANDERSON. I ordered cars from the agent at Caledonia and at Franksville.

Commissioner HARLAN. How many cars did you ask for?

Mr. ANDERSON. Fifteen cars.

Commissioner HARLAN. You have not received them, and you have repeated that demand?

Mr. ANDERSON. Probably one hundred times.

Commissioner HARLAN. What market were you trying to reach—Chicago?

Mr. ANDERSON. Any market in the country.

Commissioner HARLAN. Well, you must have intended to ship them somewhere. I want to know what market you were trying to reach.

Mr. ANDERSON. Any market in the country. I ship my stuff and sell it from New Orleans to the Great Lakes.

Commissioner HARLAN. Well, is that what you said to the agent?

Mr. ANDERSON. Well, I told him that I would take any kind of a refrigerator car, box car or stock car, but since the weather turned cold, it is impossible to ship it in anything but a refrigerator.

Commissioner HARLAN. Did you tell him——

Mr. ANDERSON. I did.

Commissioner HARLAN. Wait a minute. Did you tell him that you wanted a car to go anywhere, or did you speak of some particular market?

Mr. ANDERSON. No particular market—a car that would run to any market.

Mr. MARBLE. Did you tell him you wanted a car for the Chicago market?

Mr. ANDERSON. I would—I said I would take 40 per cent of the cars that would not run any farther than Chicago, and he said that they did not want to furnish any cars to go off their own rails. I said I would take Illinois Central cars, and I took it up with the Illinois Central people and agreed to give them 90 per cent of the freight on my cabbage, or do anything else necessary to get cars.

Commissioner LANE. What reason was given to you for not furnishing the cars?

Mr. ANDERSON. They have not got them.

Commissioner LANE. Did they say that they had not got them?

Mr. ANDERSON. They said it was impossible to get them.

Commissioner LANE. Were you here when the manager of the operating department of the Chicago, Milwaukee and St. Paul Railroad was on the stand?

Mr. ANDERSON. I was not here. I came in from Cleveland, Ohio, to attend this hearing voluntarily.

Commissioner HARLAN. How long have you been at Franksville, Wis.?

Mr. ANDERSON. Since the 1st of October—since the last of October or the 1st of November.

Commissioner HARLAN. Of this year?

Mr. ANDERSON. Yes, sir.

Commissioner HARLAN. You have been in business there then about sixty days?

Mr. ANDERSON. Yes, sir; in that district—coming from western New York, where I also operate.

Commissioner HARLAN. You raise cabbage for the market?

Mr. ANDERSON. I have not got any farm for raising cabbage, but I buy this cabbage from growers who do plant it.

Commissioner HARLAN. You are simply a buyer?

Mr. ANDERSON. Yes; a buyer and shipper of cabbage.

Commissioner HARLAN. How much of that product do you handle?

Mr. ANDERSON. I suppose by the time the season is over probably we will handle 5,000 tons.

Commissioner HARLAN. That is known as the cabbage district of Wisconsin, is it?

Mr. ANDERSON. It is the greatest cabbage district of the United States.

Commissioner HARLAN. And has been so for some time?

Mr. ANDERSON. Yes, sir; for some time.

Commissioner HARLAN. There has been, then, a regular business of shipping cabbages from that point?

Mr. ANDERSON. Yes, sir; there is more cabbage raised in Racine and Kenosha counties than in any other place in the country.

Commissioner HARLAN. So, then, it is an old business at that point?

Mr. ANDERSON. It is a business of probably ten years' standing.

Commissioner HARLAN. What weight of cabbages did you buy for shipment?

Mr. ANDERSON. How much cabbage did I buy?

Commissioner HARLAN. Yes.

Mr. ANDERSON. Probably over 4,000 tons.

Commissioner HARLAN. For delivery at any point that could be reached?

Mr. ANDERSON. Yes.

Commissioner HARLAN. And not with reference to any special market?

Mr. ANDERSON. I was willing to sacrifice 1,100 tons of cabbage on any market in the country in order to get it off the ground where I have it stored on the ground at Franksville, Wis., as the photographs will indicate.

Commissioner HARLAN. What time do cabbages ordinarily become ready for the market?

Mr. ANDERSON. They begin in September and last until the latter part of November.

Commissioner HARLAN. When did you first make a demand for cars?

Mr. ANDERSON. The second day after I got there; along about, say, the 28th or 29th of October.

Commissioner HARLAN. Did you make the demand here in Chicago?

Mr. ANDERSON. Of the agent at Franksville of the Chicago, Milwaukee and St. Paul, and also at Caledonia.

Commissioner HARLAN. Did you tell him the definite number of cars you wanted?

Mr. ANDERSON. I told him I would like to have at least ten or fifteen cars as soon as possible.

Commissioner HARLAN. What did he say?

Mr. ANDERSON. The agent told me that there were 16 orders ahead of mine, and that I would have to wait until there was 80 cars of cabbage loaded there before I would be allowed to get one car.

Commissioner HARLAN. That is in filling orders that were ahead of yours?

Mr. ANDERSON. Yes; in filling orders ahead of mine.

Commissioner HARLAN. And that there would have to be 80 cars loaded before you got one?

Mr. ANDERSON. Yes; 80 cars loaded before I got any.

Commissioner HARLAN. Well, were the 80 cars loaded?

Mr. ANDERSON. I should say not.

Commissioner HARLAN. How many were loaded?

Mr. ANDERSON. Well, I took possession of three or four cars that day.

Commissioner HARLAN. Took them in what way, by force?

Mr. ANDERSON. Forcibly; yes, sir.

Commissioner HARLAN. And were those cars shipped off for you?

Mr. ANDERSON. Yes, sir; they were.

Commissioner HARLAN. They were billed and shipped off?

Mr. ANDERSON. Yes, sir.

Commissioner HARLAN. To what market did they go?

Mr. ANDERSON. I think two of them went to Cleveland, Ohio, and one to Canton, Ohio.

Commissioner HARLAN. Do you know how many cars of cabbage were loaded there?

Mr. ANDERSON. Probably 500 cars at that station.

Commissioner HARLAN. Well, then, the 80 cars were loaded?

Mr. ANDERSON. He said I should not get one until there was 80 cars loaded ahead of mine. I took possession the day he told me this of the cars and loaded some.

Commissioner LANE. Have 80 cars been loaded since the 1st of November?

Mr. ANDERSON. Yes; we have shipped over 80 cars ourselves.

Commissioner LANE. Did you get any more cars?

Mr. ANDERSON. Oh, yes; I got some cars.

Commissioner LANE. How many cars have you had during this cabbage season?

Mr. ANDERSON. At Franksville?

Commissioner LANE. Yes; at Franksville.

Mr. ANDERSON. Probably 60 cars.

Commissioner LANE. That is the number you have had?

Mr. ANDERSON. Yes, sir.

Commissioner LANE. And how many did you require to ship all of your purchases?

Mr. ANDERSON. I could have taken 70 or 80 cars more for the cabbage I had on hand and bought, and also, in addition, I have this lot. This lot that I have is 1,100 tons, and I think probably half of it is exposed to the weather and would probably have been ruined before this had it not been for the fact that I have covered it with 5 or 6 feet of marsh hay.

Commissioner LANE. You have made, you say, repeated demands for cars?

Mr. ANDERSON. Yes, to every official of the St. Paul road.

Commissioner LANE. Is there the same complaint made by all the others?

Mr. ANDERSON. Yes; there seems to be a scramble for cars very much like an hungry dog scrambling for a bone.

Commissioner HARLAN. Well, you have received your portion, have you not? You did not get enough, but, as compared with the others, you have got your proportion, haven't you?

Mr. ANDERSON. Yes, I feel I certainly have.

Commissioner HARLAN. And perhaps a little more than that, when you consider those that you took forcible possession of?

Mr. ANDERSON. Yes, sir.

Commissioner HARLAN. So that your complaint is simply that you were a merchant with a large quantity of this produce and that while the railroad company has given you a fair proportion——

Mr. ANDERSON. A fair proportion, yes, I will admit that.

Commissioner HARLAN. That while it has done that, yet it has not moved your traffic?

Mr. ANDERSON. No, sir; not over 50 per cent of it.

Commissioner LANE. How much more cabbage was shipped this year than last?

Mr. ANDERSON. The crop in that district was probably 30 to 40 per cent greater this year than last year.

Commissioner LANE. What do the dealers ordinarily do with cabbage when they can not move it on the trains?

Mr. ANDERSON. They have to hold it until they can move it, and if it comes on to freeze it freezes in the field where he grows it.

Commissioner LANE. What loss of price is there in the value of cabbages, caused by their being out in the air?

Mr. ANDERSON. Not necessarily anything up to the present time, because we have protected it, and the weather has been mild.

Commissioner LANE. Is there any loss in the market price?

Mr. ANDERSON. No, sir; the market price has advanced.

Commissioner HARLAN. But if you have to hold it during the winter you will make a loss, is that it?

Mr. ANDERSON. It is just this way: if we should get a cold snap, 15 or 20 degrees below zero, it would be frozen so that it would be entirely worthless.

Commissioner HARLAN. This is your letter, is it not, explaining the situation [referring to letter sent by Anderson to the Commission heretofore].

Mr. ANDERSON. Yes, sir; that is it.

Commissioner HARLAN. We will file that with the photograph. Is there anything further?

Mr. ANDERSON. I am also operating at Ives Grove, as it is called, on the Northwestern, and also at Racine. Caledonia is 6 miles north of Franksville, and I have a man there that I am hiring at a salary, and he has got 1 car in sixteen days, and I have got 25 cars of cabbage there to be moved that I had paid for and that I am obliged to take regardless of the market conditions or anything else.

Commissioner HARLAN. On what road is that?

Mr. ANDERSON. The Chicago, Milwaukee and St. Paul.

Commissioner HARLAN. Is there any other road there?

Mr. ANDERSON. No, sir. At the rate I have been getting cars it will be four hundred days before I would get 25 cars, and that would be along about February 1, 1908.

Commissioner HARLAN. Did they make any promises to give you cars?

Mr. ANDERSON. Promises are like good resolutions, easily broken.

Commissioner HARLAN. I understand that, but I want the facts.

Mr. ANDERSON. Yes; they gave us promises, and they say they are doing the best they can.

Commissioner HARLAN. But they don't promise you cars at any definite date?

Mr. ANDERSON. No, sir.

Commissioner HARLAN. At what other points are you doing business?

Mr. ANDERSON. At those four points.

Commissioner HARLAN. What is the amount of your purchases?

Mr. ANDERSON. I have probably 450 tons in storage there now. We have shipped 50 cars out of that station. I have the old Schilling Brewery leased at Racine, and have about 250 tons there, and there have been moved out of that 2 or 3 cars.

Commissioner HARLAN. And the fourth and last one?

Mr. ANDERSON. That is at Caledonia, where I say I have about 25 cars, and I have had 1 car in sixteen days.

Commissioner LANE. If there is any representative of the Chicago, Milwaukee and St. Paul here who would like to ask this gentleman any question, he can do so.

(No response).

Mr. MARBLE. These are the pictures brought here by you showing, as you have stated, the two piles of cabbages?

Mr. ANDERSON. Yes, sir.

Mr. MARBLE. You have seven piles altogether?

Mr. ANDERSON. Yes, sir; 1,100 tons.

Mr. MARBLE. And the others are similar to these?

Mr. ANDERSON. Yes, sir.

Mr. MARBLE. I will introduce these exhibits with Mr. Anderson's testimony. I have no further questions.

Mr. ANDERSON. In regard to the car service, this gentleman that spoke about car service. That is regulated here by one party here in this town, as I know. I have had quite an experience in that line. I had a car that came in here some thirty days ago, on the Chicago, Milwaukee and St. Paul, a box car, New York Central and Hudson River Railroad car No. 51200. It still stands at Morgan Street yards, unclaimed and not refused. It belongs to me, but it has been robbed

of a ton or two of cabbage, and I went to the officials of the St. Paul and told them that if they would throw off the demurrage I would release all claims and demands for this cabbage that had been stolen. They referred me to the car-service man—I think his office is in the building at State and Van Buren streets—and he referred me back to the St. Paul office to the claim department. They never did anything, and they wanted me to refuse the car, which I would not do; and I would not accept the car under those conditions, and that car is standing there yet. I am willing to adjust the claim, release that, if they will throw off the demurrage on the car, and not put in any claim for shortage. Now, then, when they talk about this being the universal rule about this car service, I will beg to differ from that. I am interested in Pittsburg, Pa., where the Pennsylvania Railroad collects $5 a day for a car after a limited time. We have forty-eight hours there, and the next twenty-four hours is $2 a day, the next twenty-four hours, and the third twenty-four hours is $4 a day, and the fourth twenty-four hours is $4 a day, and after that it is $5 a day. One dollar is called demurrage and the balance is called storage.

Commissioner HARLAN. Well, have you any suggestion to make in connection with your complaint?

Mr. ANDERSON. Any suggestion?

Commissioner HARLAN. Yes.

Mr. ANDERSON. In what way?

Commissioner HARLAN. Well, your complaint has been made in the record, and this is, of course—this hearing—is in reference to car shortage. Have you any suggestion to make as to how it could be corrected?

Mr. ANDERSON. That is a pretty difficult matter to get into. It is pretty deep, and you have got to think about that matter.

Commissioner HARLAN. You recognize the difficulty of the question, do you?

Mr. ANDERSON. I do; yes, sir; thoroughly.

Commissioner HARLAN. And you are not prepared at this time to make any suggestion?

Mr. ANDERSON. Yes, I am as well prepared at this time as at any other. I can not see why the railroad company should not be penalized for the nondelivery of a car just as much as the receiver should for not unloading the car at a given time.

Commissioner HARLAN. You think that the adoption of the principle of reciprocal demurrage would be a fair thing?

Mr. ANDERSON. I do; and make it high enough so as to make it interesting for both parties. This dollar a day is just a mere bagatelle. Make them unload, of course, but make the railroads hustle along with the freight. How in the world, if the St. Paul people can not take care of the people on their own line now, how are they going to do when they build 2,300 miles of extension? It takes eight or nine days to ship a car from Franksville, Wis. (69 miles north of Chicago), to St. Louis. How are they going to take care of the balance of the traffic? They can not take care of what they have got now.

Commissioner HARLAN. Have you any further suggestions to offer?

Mr. ANDERSON. No, sir; nothing.

Commissioner LANE. What relief can be given there?

Mr. KRUTTSCHNITT. To answer that question for Galveston, you would have to answer it more or less for the entire United States, and for every seaport, and it is difficult to see how any relief can be given if the crops must be harvested and practically shipped from the harvest field to the seaport, because it means immediate shipment. The methods of harvesting are being improved all the time, and the time in which the crops are moved is being reduced all the time, and consequently the concentration of traffic, and the density of traffic in the crop season is increasing all the time. The only apparent relief would be to erect very extensive warehouses near the shipping points or at the seaports in which the crops could be stored.

Commissioner LANE. Are the terminal facilities sufficient at Galveston for the handling of trains as they come in?

Mr. KRUTTSCHNITT. Our company built, five or six years ago, a terminal that we then thought would be ample for all requirements for twenty-five years to come. I think the facili ies there are still ample. The outside companies, the wharf companies in Galveston, have aided largely, and my understanding now is that the trouble is in the ocean tonnage.

Commissioner LANE. In the sufficiency of the ocean tonnage?

Mr. KRUTTSCHNITT. The sufficiency of the ocean tonnage. The ships don't get in fast enough to take the freight away, and perforce it is held either in cars or in the warehouses.

Commissioner LANE. We had a dispatch from there some ten days ago, I think, saying that there were 60 ships waiting in the harbor, and another dispatch was received by us a day or two ago, saying that there were 45. I presume that they have not got wharves at which they can accommodate all these ships at the same time, but this Commission has been in receipt for some time past of complaints from Galveston, and particularly from the northern part of Texas. Shippers have offered to various railroads in the northern part of Texas, in Oklahoma, Indian Territory, Missouri, and in surrounding States, shipments for Texas points south of Fort Worth, and for Galveston and other places in the South, and they have said that they could not get cars, because as soon as a car went into Texas it never came back. That is, that this season was an exception, and they could not get a car back within ninety days. Now, those complaints have been answered by the Commission by asking them to present all the information that was obtainable as to the conditions at Galveston, and we would like to have whatever knowledge you have as to that situation—as to what relief, if any, can be given—because it is an embarrassment to the territory for several hundred miles north of Galveston. Is there any promise that can be held out to these people that that situation or congested condition can be relieved soon?

Mr. KRUTTSCHNITT. According to the facts before you, there are cars enough in Galveston to furnish lading for a very large number of these ships. There are ships enough at Galveston to take the lading of all these cars, and it seems hard to see why they can not get together. That, however, is a local condition that the merchants of Galveston, or the interests in Galveston controlling the wharves, ought to face. My recollection is that our wharf, our new docks, are the only docks in the port that are not owned by a wharf company.

Commissioner LANE. There is a local wharf company there?

Mr. KRUTTSCHNITT. Yes.

Commissioner LANE. Not a railroad company?

Mr. KRUTTSCHNITT. No, sir; not a railroad company.

Commissioner HARLAN. How many boats can you load or unload at your wharf in, say, thirty days?

Mr. KRUTTSCHNITT. We have dockage at our wharves for 10 large ocean steamers at one time.

Commissioner HARLAN. Your tracks run right onto your wharves, I suppose?

Mr. KRUTTSCHNITT. Our tracks run right onto the wharves, and we have wharves that were designed to handle freight quickly. Primarily, they were intended for the accommodation of our new steamships that ply between Galveston and New York. Those are steamers which will average about 6,000 tons burthen, and will come, discharge their cargo, reload, and sail in from thirty-six to forty-eight hours.

Commissioner HARLAN. Do they take cotton sometimes?

Mr. KRUTTSCHNITT. Yes, indeed; cotton is the bulk of their cargo northbound.

Commissioner HARLAN. And it is transferred at the harbor in New York?

Mr. KRUTTSCHNITT. It goes to New York, and then to foreign bottoms, and also to the New England mills.

Commissioner HARLAN. Is there any other company that has trackage rights from your terminals over your wharves?

Mr. KRUTTSCHNITT. No.

Commissioner HARLAN. So that you are not in a position to assist in relieving the congestion there, except as it may exist on your own line?

Mr. KRUTTSCHNITT. Oh, we could assist. In other words, whenever the facilities on the docks are more than we require we would naturally assist them, but you can see that the capacity for handling freight there is very large, because the dispatch given to the domestic steamer is considerably greater than can be given to the foreign one. Still, we have loaded large foreign vessels with cotton, with full loads, in from three to four days, and gotten them out, so that with facilities to take ten vessels, even assuming that each one was docked after our own domestic ships, there would be a large capacity there.

Commissioner LANE. I have one or two telegrams here regarding the Galveston situation, which I will read to you so that you can see what our information is. One is from the president of the Galveston Cotton Exchange, and he says:

> There are 4,000 loaded cars here waiting to be unloaded in which the shippers keep their goods and pay demurrage in preference to receiving. Facilities here far exceeds railways' ability to deliver. They are blockaded in their yards, and can not deliver tonnage as fast as shipping facilities demand, involving heavy loss. Heretofore no demurrage on goods in railway cars has been incurred in Galveston.

Here is a telegram from the secretary of the Galveston Chamber of Commerce, in which he says:

> Consignees have to wait an average of three weeks for notice, and after ordering the railways to deliver. There are 35 foreign steamers here to-day complaining of slow delivery. Wharves are not in the least congested, but the congestion is in the railway yards.

Do you know anything of that situation?

Mr. KRUTTSCHNITT. I do not, except that I would repeat what I have said about our own dock and the wharf company. The tracks leading to these docks belong to the wharf company, and the switch engine and switch crews belong to them, and every road entering Galveston that wishes to get a car to these docks must make delivery to the wharf company, and its switch engine handles the cars to the dock. I should be very glad, if the Commission will permit me to do so, to inquire into this condition more fully, and from the information I have thus received to supplement my present testimony.

Commissioner HARLAN. This congestion, as I understand it, does not affect your business.

Mr. KRUTTSCHNITT. No, it had not the last time I made inquiry or received a report from there.

Commissioner LANE. Yes, we would be very glad indeed to have any further report that you wish to make or the benefit of any information you can obtain.

Mr. MARBLE. You have answered that there was (taking all the railroads under your charge as a unit) a shortage of cars. Would the extraordinary conditions at San Francisco, by which you were forced, really, to a shortage of cars, and to allow these cars to be used as warehouses—would that account for or explain the shortage?

Mr. KRUTTSCHNITT. I do not know that I thoroughly understand your question, but if you had had these cars regularly we would have been moving the freights that have accumulated.

Mr. MARBLE. So that you would not have been short of cars?

Mr. KRUTTSCHNITT. I do not think we would. Perhaps, if I give you some special figures, it will show the reasons by which I reach that conclusion.

Mr. MARBLE. But first, just let us have your conclusion. As I understand it, it is to the effect that had you had these cars, and had them moving the length of time they stood at San Francisco, you would have had cars enough.

Mr. KRUTTSCHNITT. And if we had some 2,000 or 2,500 cars delivered, which were promised by the 1st of August, and delivery of which has just been completed, I do not think our lines would have had a particle of trouble.

Mr. MARBLE. Without the 2,000 cars of which you speak, would you have had any trouble or scarcity had you had the cars that were used as storehouses?

Mr. KRUTTSCHNITT. I think even without the 2,000, had we had the San Francisco congestion relieved by the 1st of August we would have had little or no trouble.

Mr. MARBLE. Have you plenty of motive power?

Mr. KRUTTSCHNITT. Our motive power is ample for our needs. Every locomotive that was ordered for this busy season was delivered prior to the 1st of August, and in service.

Mr. MARBLE. We would be pleased now to have the figures.

Mr. KRUTTSCHNITT. Reports are made to me every ten days of what is called the car shortage—that is, the excess of the requisitions for cars over the ability of the managers to furnish them. That shortage reached its maximum early in November, and on the entire system amounted to very few cars more than were involved in the San Francisco congestion. In other words, about 6,700 cars. That

number has been reduced. To-day it is only about 4,000; so the situation is materially better.

Mr. MARBLE. How about the situation in Oregon, in reference to which you have testified?

Mr. KRUTTSCHNITT. Well, we have made, since the cleaning up of the San Francisco situation—and feeling that those people have had a very hard time as to railroad transportation—we have made extraordinary efforts to relieve them and have been putting empties into Oregon quite rapidly, and the situation there is very much improved, and I would repeat that that part of our system was positively the worst off of any.

Mr MARBLE. But the lumber men are still suffering, are they not, for the want of cars up there?

Mr. KRUTTSCHNITT. To a certain extent, yes; but the situation is being relieved daily.

Mr. MARBLE. Can you make any statement or a prediction as to how soon you will be able to handle that business for the lumbermen?

Mr. KRUTTSCHNITT. From our reports, I should say in three or four weeks.

Mr. MARBLE. Then you think you will be practically even?

Mr. KRUTTSCHNITT. Easily so, because the crop movement is letting up now, and it will release some cars to go into the lumber business.

Commissioner LANE. There has been an extra burden imposed on you in the lumber market in the Northwest country, because of the practical cessation of the operations of the Great Northern and Northern Pacific?

Mr. KRUTTSCHNITT. More than that; there has been a protracted strike of the employees of the coastwise steamers, and that has brought to us a great deal of lumber from the Puget Sound points and Portland into San Francisco, into Los Angeles, and into San Pedro. That is, those steamers have done that heretofore, and all of that stuff was offered to the railroads and we should have beeen more than glad to take it and handle it but for the want of equipment.

Mr. MARBLE. Do you know the average daily movement of your freight cars?

Mr. KRUTTSCHNITT. Yes; they will average between 25 miles and 30 miles a day. In other words, we get from 9,000 to 10,000 miles per annum per car.

Mr. MARBLE. Have you any remedy to suggest, or any plan to suggest, by which that movement of freight cars could be stimulated and better service afforded, or more miles be traveled? A mile an hour seems rather small. Where is the time lost?

Mr. KRUTTSCHNITT. Of course, putting that in another way, that means that the cars are in motion only about 10 per cent of the time.

Mr. MARBLE. About one day in ten?

Mr. KRUTTSCHNITT. About one day in ten. Most of the time is lost at destination. Comparatively little of it is lost at the originating point of the freight. At the present time I might say that considerable is lost in getting through congested terminals, but that is not a normal condition—that is entirely abnormal.

Mr. MARBLE. You do not regard that as a condition to be contended with ordinarily, do you?

Mr. KRUTTSCHNITT. By no means.

Mr. MARBLE. What remedy have you in mind that will better that situation, and cause the present number of freight cars to amount to an increased supply, or an added supply, by their increased efficiency?

Mr. KRUTTSCHNITT. The conditions that bring this situation about are principally the concentration of shipments at various points. The public expects the railroads to do too much business in a limited time. I should say that the first help would be afforded by distributing these shipments somewhat, by providing warehouses, and storage facilities on the farm, at the sugar factory, at the canning factory, and at the sawmill. The modern sawmill will turn out anywhere from 200,000 to 250,000 feet of lumber a day, and it expects a daily supply of cars so that it can handle its output immediately. It expects that the road serving it will accomplish that. The lumber as it leaves the saw can thus go direct to the car and is shipped at once. The modern sugar factory or cane sugar factory expects at the close of every day to ship the product of that day, and so it goes throughout all of the industries that are served on our lines, and it becomes more and more difficult to provide equipment as it is desired under the modern system of manufacture. If the material were warehoused, and the shipments spread over a longer time, it would be a very great relief. If, on arrival at destination, the freight could be immediately put into warehouses or taken away, it would also afford great relief.

Mr. MARBLE. I can readily understand how the failure to warehouse farm products, which are produced in great quantities, and but once a year, would have the effect which you suggest; but, take a mill, which produces nearly around the year, why do not its frequent shipments tend to promote the movement of cars rather than to make that movement stagnant?

Mr. KRUTTSCHNITT. It is those shipments, when they are added to the movement of the crops, which embarrass the situation. Those shipments are most active at the time that the crops are moving.

Mr. MARBLE. It is, then, the congestion at the terminals that makes the trouble?

Mr. KRUTTSCHNITT. No; it is the inability then to furnish cars, because everybody wants cars.

Mr. MARBLE. What we are talking about now is the movement of cars; that is, this movement of which you speak, amounting to about 20 miles per day.

Mr. KRUTTSCHNITT. You asked how it could be improved, and I say, in two ways; by reducing the delay at the terminal point, and equalizing the inflow or influx of traffic at the originating point.

Mr. MARBLE. So that the cars would not have to wait at all to be loaded?

Mr. KRUTTSCHNITT. So there would be a more uniform movement.

Mr. MARBLE. Do you have much trouble now with cars waiting to be loaded? Having to hold cars for loads?

Mr. KRUTTSCHNITT. Not much. The principal delay is getting rid of the freight after it reaches its destination.

Mr. MARBLE. Then, so far as the loading is concerned, the equalizing of the movement would not have very much effect upon car movement, because the difficulty is not that the car is not loaded promptly; the difficulty is in its being moved?

Mr. KRUTTSCHNITT. No, but everybody loading at the same time produces congestion at the terminal points.

Mr. MARBLE. The trouble is felt at the terminals?

Mr. KRUTTSCHNITT. You can hardly get traction enough, switch engines enough, to move this stuff promptly when all of the products of the country are moving at one time.

Mr. MARBLE. Do you have trouble occasioned by the abuse of your rules or by the use of your rules at the terminals, by which your cars are held as warehouses?

Mr. KRUTTSCHNITT. Yes; every road has more or less of that.

Mr. MARBLE. Have you anything in mind by which to correct that, so that the cars, instead of becoming warehouses shall more nearly and more completely be instruments of commerce?

Mr. KRUTTSCHNITT. Well, the American Railway Association has recently organized a committee and they have honored me with an appointment on that committee. The business of that committee (and it is called the car efficiency committee) is to study for the entire country the means of increasing the efficiency of the equipment. The committee has only recently been appointed, and is not yet ready to report at all.

Mr. MARBLE. You are not yet ready to report anything at all?

Mr. KRUTTSCHNITT. No, not yet. It is a very complicated situation. It involves the uses of cars as warehouses, a use that has grown up all over the country; and it involves other privileges extended by the carriers to shippers, that are so intimately connected with the industrial development of the country that to adopt any drastic measures would be equivalent to causing a great deal of damage. Every road has hesitated to do that. An instance in point is that we have tried for years to get the local coal dealers on our lines to use hopper-bottom cars, so that then the cars could be discharged at once on being put onto their sidetracks. We have even gone to the extent of offering to have our switchmen unload them, but that requires on their part the erection of a small trestle and they have been unwilling to do that.

Mr. MARBLE. Would that be an expensive operation?

Mr. KRUTTSCHNITT. Comparatively inexpensive.

Mr. MARBLE. Have you a remedy within your power to apply by reducing the time which these hopper-bottom cars shall be allowed to be held by the coal dealers and perhaps increasing the penalty to be assessed if they do not promptly release them?

Mr. KRUTTSCHNITT. That is a measure which we are considering now. Again, you take the smelters in the Utah Valley. We take ore in there and they require 96 hours of free time to unload those cars. I think that is entirely too much. However, that is a condition under which the smelting industry has grown up and while we are shortening and reducing the time little by little this year we have not reduced it enough yet, and we appreciate the fact that the remedy must be applied gradually or else we do the injury to these industries.

Mr. MARBLE. Of course, when so many shippers are pleading for cars, if some shippers are allowed to use cars as warehouses to any extent it amounts to a discrimination against those who do not get cars?

Mr. KRUTTSCHNITT. Perhaps that is a little farfetched, but it is to a certain extent true.

Mr. MARBLE. It is not thought farfetched, though, by the man who does not get the car.

Mr. KRUTTSCHNITT. Now, another means by which we have earnestly sought to avoid this trouble, and a means that we have sought to bring about for the past two or three years, has been to get the coal dealers to store their coal. The average local coal dealer will not order his coal in the summer time when the equipment is plenty and the roads are comparatively free of congestion because the crops are not moving. It would then be simply a matter of moving the coal and storing it. We have been singularly unsuccessful in prevailing upon the coal dealers to do that. This last summer and spring, after endeavoring to get them to store the coal and meeting with no success in that effort, we tried the experiment of making an emergency rate, which was really a sort of a bonus, in order to prevail upon them to store, but, unfortunately, about the time they got themselves moving in the way of storing the coal there was a shortage of miners and great difficulty in getting any coal, so that instead of getting several hundred thousands of tons stored on our lines we only succeeded in getting about 40,000 of 50,000 tons stored by the dealers. It was their fault up to the time we offered the bonus for storing, but when the supply of miners ran short of course they were not to blame.

Mr. MARBLE. You mean they might have stored coal before that time?

Mr. KRUTTSCHNITT. They might have stored coal, yes, and get in all they wanted.

Mr. MARBLE. For your own company use, do you store your coal?

Mr. KRUTTSCHNITT. We have from thirty-five to forty days' store, but on account of the shortage the coal we stored was rapidly eaten into and on account of the fact that the company furnished it to local dealers to relieve their situation. We have had just the same trouble about coal on our lines, perhaps not as bad as it has been in other parts of the country, but bad, nevertheless, and we have relieved it in that way. We have gone into other markets and tried to buy coal and furnish the equipment for it, offering to furnish the equipment, in order to provide coal for the railroad company, so as to permit the local mines to sell theirs for domestic use, but we have met with very little success, because the mines can not produce the coal.

Mr. MARBLE. In the region of the California and Texas oil fields, where you use oil, you put it in storage tanks—you have the oil stored, do you not?

Mr. KRUTTSCHNITT. We did, and we planned to put the lines in Oregon of both the Southern Pacific and the Oregon Railway and Navigation Company on oil fuel, and we made our contract. The oil was to be delivered, but we failed to get a single barrel, because the steamer was not completed in time. She was to have been delivered in August to the other company, but I am told now that the first trip will be made in January.

Mr. MARBLE. This criticism of the dealers for not storing their fuel was made at Minneapolis by a large wholesale dealer, who said he had asked the dealers to store coal, but he also said that he had asked the railroads to store and they had neglected to do so.

Mr. KRUTTSCHNITT. Well, it has been my policy for years—I should say for ten or twelve years at least—to store every pound of coal in the spring and summer that I could lay hands on.

We also endeavor to help out the fuel situation, we did try that, by letting large contracts for fuel oil to the Los Angeles wells to avoid the long hauls over the lines of the Southern Pacific Company, and avoid the shortage of cars in the oil fields, about which there has been some complaint. But, unfortunately, these contracts could not be filled, because the oil wells gave out, and we have had to purchase and haul oil much longer distances than from there, thereby tying up the cars for a longer period than we had intended to. Now, to illustrate the situation, so far as the mines are concerned, when the San Francisco situation was relieved, releasing a large number of coal cars, we shipped those East. We shipped the empty coal equipment, rushed it to the mines, in preference to any freight except live stock, and those trains had preferences over all trains except passenger trains and live-stock trains. The result of that was that we got the empties to the mines very quickly, and for the last month or six weeks we have had a surplus of empty coal cars at the mines, and have developed their full capacity, so far as we could, and for six weeks there has not been a particle of trouble about coal equipment.

Mr. MARBLE. On any of those lines?

Mr. KRUTTSCHNITT. On any of them. There is plenty of coal cars to take care of any activity that the mines may be capable of. They have not plenty of miners, that is the trouble. They could produce more coal, and could ship more coal, if they could get more miners.

Mr. MARBLE. Now, to take up another matter. On shipments of grain into Omaha, for, say, 300 miles, what do you consider the fair movement for a car to make from the time it is billed until it reaches the Missouri River, including its passage through two division points? How long do you think that car ought to be en route, fairly?

Mr. KRUTTSCHNITT. Oh, not more than three or four days.

Mr. MARBLE. Do you know whether or not you do actually accomplish that sort of service?

Mr. KRUTTSCHNITT. I do not know.

Mr. MARBLE. You do not know?

Mr. KRUTTSCHNITT. No.

Mr. MARBLE. But for such a distance it would be your judgment, as a railroad man, that three or four days is a fair time, passing through two division points?

Mr. KRUTTSCHNITT. Well, I was more familiar with those matters when I was in actual operating charge. For instance, the Southern Pacific would put their overland freights in San Francisco, very regularly, in seven days from New Orleans, which was 2,500 miles. The trains would move through the division terminals, and our average delay was about forty minutes at each division point.

Mr. MARBLE. I am asking in reference to dead freight, such as wheat and coal.

Mr. KRUTTSCHNITT. Well, that was freight between New York and San Francisco, the dead freight would move—well, we would

load a train heavier with the dead freight, and it would make probably half to two-thirds of the miles per day that this time freight would.

Mr. MARBLE. Perhaps 150 miles, instead of 300, or something over 300?

Mr. KRUTTSCHNITT. Yes; I have prepared here a statement from which I read those figures, in reference to the increase of tonnage and equipment, and I have also had them charted. I have also put in increase in second tracks, sidings, yards, and so forth, on those systems, and I have a chart of that. I shall ask leave to file these with the Commission.

(The same is hereto annexed and marked "Exhibit No. 1 to Mr. Kruttschnitt's testimony.")

Commissioner LANE. Yes; file them if you please.

Commissioner HARLAN. Does that show what appropriations have been made, or do you know what appropriations have been made for this coming year for improvements?

Mr. KRUTTSCHNITT. Both the equipment is charted and the sidings are charted, and it also includes sidings and equipment contracted for to be finished this year. Just briefly, I can incorporate that in my testimony.

In five years, from 1902 to 1906, there were bought 40,200 freight cars, and 1,194 locomotives, costing approximately $60,000,000. We have made very large expenditures all over the line, with the object in view of reducing and eliminating the curves and increasing the traffic capacity of our lines. We have added from the year 1900 to date, additional second tracks and sidings amounting to 2,244 miles, equivalent to a single track reaching from Chicago to Los Angeles, Cal.

Commissioner LANE. Have you anything to say regarding the proposition of reciprocal demurrage? That question is being agitated by very many commercial bodies at this time.

Mr. KRUTTSCHNITT. Reciprocal demurrage?

Commissioner LANE. Yes.

Mr. KRUTTSCHNITT. I should say, before attempting a solution of that problem, that we ought to have it very clearly stated. Reciprocal demurrage would be a penalty imposed upon a railroad company for its failure to deliver a car within a specified time. I should judge that is what it means from the testimony that has preceded mine.

Commissioner LANE. This is the proposition, as I understand it. There has not been any very clear definition in detail. Ordinarily reciprocal demurrage means a penalty paid by a railroad to a shipper when the shipper has made a demand for a car for a certain number of days and the railroad has not delivered it to him.

Mr. KRUTTSCHNITT. Well, what is the duty of the road to furnish the car to the shipper? By that I mean for what purpose must it furnish the car?

Commissioner LANE. For the purpose of transportation.

Mr. KRUTTSCHNITT. To what points.

Commissioner LANE. And the shipper, it is understood and implied, is responsible, and in fact is able to pay and does pay, or offer to pay, whatever amount may be necessary for transportation.

Mr. KRUTTSCHNITT. Well, assume the cars of a given railroad with termini at A and B. Is it contemplated that it must furnish cars for shipment of freight originating at any point on its line destined to any other point in the United States, Mexico, or Canada?

Commissioner LANE. You are very much more familiar with the question of such demurrage than I am.

Mr. KRUTTSCHNITT. If you will permit me to go on, I will, perhaps, best answer the question by stating what seems to me to be the conditions of the problem first and then considering its solution. It is a comparatively easy matter for any line—for our line, if you please—to provide enough equipment and motive power to move promptly any freight that is offered on any point on the line and take it to any one of our terminal or junction points with other roads.

Commissioner LANE. Is that generally so as to all railroads?

Mr. KRUTTSCHNITT. I think so. If it is not so, if they have not the equipment now, a very little amount of figuring and ordering of equipment would put them in a condition to do that; but if a railroad is expected to furnish to any shipper equipment in unlimited quantity, under penalty if it does not, such equipment to go off of its lines to any points in the United States, Canada, or Mexico, I do not know of any commission or body of railroad men that could possibly figure on the amount of equipment that they will have to order to meet those conditions. Therefore, if reciprocal demurrage is to be inaugurated and the railroad penalized for not meeting demands for equipment at all times for shipment to all points, it must necessarily protect itself by reducing very much the scope of its traffic. It must cut it off at its terminals. Naturally, if the "X, Y & Z road" is to be penalized if it does not furnish cars to go off its line, if its officers have any sense at all, they will say, "We will go out of this traffic, then, and take care of the traffic that originates and ends on our own lines. Beyond that we can not go. This must be our position, because how are we to figure and how do we know how much of this through business is coming up next year?"

Commissioner LANE. So that you want some way by which you would be assured that the cars, once they get off of your line, would be promptly returned?

Mr. KRUTTSCHNITT. Yes; and there are no ways to insure that.

Commissioner LANE. Can't that be covered by an agreement between the railroads?

Mr. KRUTTSCHNITT. I am afraid not. That is one of the difficult problems that the railroads of this country have set before our committee. One of their instructions to that committee is to devise ways and means, or to suggest plans for a car-clearing house, for, as some call it, "a car pool," although it is not properly a pool.

While we have had considerable experience in the common use of cars over a very large mileage and where the means of distribution have been entirely within our own hands, yet even that problem seems to me to be one, when extended to all the roads of the country, of extreme intricacy and difficulty. I do not know what solution we will reach. I have given the matter a great deal of thought, and I have talked with a great many railroad-operating officers, in order to gain assistance from their suggestions, but up to the present time I must say there has not been very much assistance offered. Our

system of lines and the New York Central system, the equipment of those systems, is handled in what we call a clearing house. In other words, it is sought to get the greatest efficiency out of the equipment. Naturally, there must be no unnecessary empty movement of a car. In other words, wherever a car is it can be used, and used to its utmost capacity. If it has to be repaired, it can be repaired wherever it is, and there is no necessity of its being hauled to a distant shop. It can be put into the nearest shop and repaired, and the bill for the repairs sent to the owners. In other words, the cars are made to come forward, and their efficiency is very much increased in that way.

Now, where the ownership of the cars is all in one interest, and where the power to move these cars is supreme, the problem is comparatively simple; but when you enlarge the problem to take in the entire United States, it becomes one of very great difficulty.

It is a simple matter, if the Pacific coast wants to ship actively, and the Atlantic coast is idle, or vice versa. Then it is a very easy matter for the manager of this car clearing house to order empties from the Atlantic coast to the Pacific coast, or vice versa. But if the Pacific and the Atlantic both want to ship at the same time, then the case becomes very difficult.

Commissioner LANE. So as to insure the return of your own cars, would it be possible now for you to fix a limit within which the cars should be returned, a certain time limit? Say that you take a car from San Francisco to New Orleans and then have to let it go up to Memphis. You fix a certain number of days which you, by agreement with the Illinois Central, have arrived at. Allow for the passage of a car of dead freight from New Orleans to Memphis, and then for any time over that amount, penalize them by agreement between yourselves to such an extent as will insure the return of that car or its equivalent to you at New Orleans.

Mr. KRUTTSCHNITT. It has seemed to us that a car clearing house, if we could devise one, would be better than that by enabling the Illinois Central, instead of returning that actual car, to substitute one for it where such a substituted car would be nearer the junction point, and more quickly delivered.

Commissioner LANE. You would be insured by that scheme, you could make the penalty the amount of the demurrage that you would be charged—if you were charged $5 a day as reciprocal demurrage for failure to furnish a car, you could make that amount payable by the Illinois Central if they did not return to you the car.

Mr. KRUTTSCHNITT. Well, we do that now; not for $5 a day, but for a fixed amount per diem. It is 50 cents now, or rather a number of roads have made an agreement, amongst them the Illinois Central and our road—to which agreement we are both parties—that we are to pay each other 50 cents, instead of 25 cents. That is a tentative measure adopted on the 1st of December. We do not know yet how it will work. A great many people thought it would be effective, and we concluded to try it.

Commissioner LANE. My suggestion is not exactly that, but it is one that has just occurred to me—whether it is not possible for you to allow a certain number of days during which the ordinary per diem shall be charged, and when that time comes to an end, then another amount, a very large amount, equivalent to the amount of demur-

rage that you are to pay to the shipper, would be imposed upon the road which keeps your car away from you.

Mr. KRUTTSCHNITT. That plan is exactly the American Railway Association's plan that is in use now, except as to the amount. In other words, the per diem, the rate of the association, is 25 cents, which, at the end of twenty days or twenty-five days, increases to $1. That has not been particularly efficacious in bringing the cars back; and in this new agreement, making the per diem 50 cents, we concluded to try how the abolition of the penalty would work. In other words, it should be uniformly 50 cents up to the end of a certain number of days, and then raising it by multiplying it by four.

Commissioner LANE. Heretofore has it been that the railroad that kept a car away longer than twenty-five days had to pay $1 a day for it?

Mr. KRUTTSCHNITT. Yes.

Commissioner LANE. The railroad did?

Mr. KRUTTSCHNITT. Yes.

Commissioner LANE. Has that been in force?

Mr. KRUTTSCHNITT. Yes. The objection to it was this: That the road finding that it was about to incur this increased penalty got very busy and delivered these cars to another line. In other words, they would break the penalty in that way. They would make a delivery before the time of the extra compensation, they would make their delivery before that began, and then the other road would be possessed of the car and would wait until it devolved upon it to get the car back to the owner within the twenty-five days.

Mr. MARBLE. You found also that there entered into the question the element of fictitious delivery, did you not?

Mr. KRUTTSCHNITT. It is claimed that something of that sort has existed.

Mr. MARBLE. Deliveries made simply for the purpose of breaking the penalty?

Mr. KRUTTSCHNITT. It is so stated by the car service committee to the association that that practice was indulged in.

Whereupon the further hearing of said matter was adjourned until 7.30 p. m. the same day, December 20, 1906.

NIGHT SESSION.

DECEMBER 20, 1906—7:30 p. m.

Commissioner LANE. The Commission is in receipt of a telegram from Mr. Howard Elliott, president of the Northern Pacific road, in which he says:

> No shortage of provisions so far as we know at any point on our line in North Dakota. The company is doing all it can, as stated at Minneapolis, to furnish fuel at all points.

Mr. MARBLE. Mr. Sanford, of the Car Service Association, was asked to bring in some figures showing the amount of delay in Chicago. Shall I read it or simply put it in?

Commissioner LANE. File it with the testimony.

Mr. MARBLE. I will do so. I will also ask that this statement [referring to a list of railroads joining in the per diem rule] be put in as a part of the testimony of Mr. Midgley. It contains that list of railroads.

(The same are hereto annexed and marked "Exhibit No. 1—Sanford;" and "Exhibit No. 1—Midgley.")

There is also here a letter from the Kensal Farmers' Elevator, of Kensal, N. Dak., in which it is said:

We have 310,000 bushels of grain stored here at the present time, of which 127,000 bushels is thrown in seven temporary outside bins, with no roof or covering of any kind.

Commissioner LANE. What road is that on?

Mr. MARBLE. That is on the Soo. Here is a cartoon prepared by the manager of the Illinois and Iowa Car Service Association, which he expects to distribute January 1, 1907, making an argument for a demurrage rate of $3 a day, and a reconsigning charge of $5 a car, which I will ask to file. This is to be distributed among the shippers.

The same are hereto annexed and marked "Exhibits Nos. 1 and 2, Mr. Marble, Chicago, December 20, night session."

DANIEL WILLARD, having been called as a witness, being duly sworn, testified as follows:

Mr. MARBLE. You reside in Chicago?

Mr. WILLARD. I do.

Mr. MARBLE. You are vice-president of the Chicago, Burlington and Quincy Railroad?

Mr. WILLARD. Yes, sir.

Mr. MARBLE. What part of the operation of that road is under your charge?

Mr. WILLARD. I have charge of the operation and maintenance of the whole system.

Mr. MARBLE. The operation and maintenance?

Mr. WILLARD. Yes, sir.

Mr. MARBLE. Is the Chicago, Burlington and Quincy suffering from a shortage of cars?

Mr. WILLARD. Why, yes; to some extent, but no more than our neighbors.

Mr. MARBLE. Some of your neighbors report that they are short of cars and others that they are not.

Mr. WILLARD. Well, we are.

Mr. MARBLE. You think that more cars would remedy the trouble, or would you remedy it by a change in the terminals or a change in methods?

Mr. WILLARD. Of course, something done in various directions would no doubt help remedy the situation. I do not know that any one particular thing would help it. The trouble with the Burlington system is perhaps, as much as anything else, that our business has increased to an extraordinary degree in the last year, and we did not foresee sufficiently what our requirements would be. I say "we," but I will change that so as to make it personal—I, myself. The president of the Burlington has called on me to give him estimates of the amount of equipment needed from time to time, since I have been with the company, and I have endeavored to look ahead so far as I could and make my recommendations accordingly. I have recommended such purchases as I thought were necessary, and they have always been approved.

I have reason to believe that, had I recommended more liberal purchases, they would also have been approved, so that if we are

short to-day (and we are to some extent, perhaps) the fault primarily rests with me for not looking further into the future.

Mr. MARBLE. You got such equipment as you ordered?

Mr. WILLARD. Not altogether, but I will explain that. A year ago we had a very prosperous year and our equipment was all used to its fullest extent, but we had no very general complaint of shortage, and I think we satisfied generally our patrons in a very good way. Of course, we are anxious to do all the business we can do, necessarily, because the more business the more earnings for the railroad, and more business also meant that the ratio of operation or operating expense would be less, which would be to my credit, and our self-interest naturally impelled us to want to do all the business we could. The outlook for the future seemed good, and we placed orders for 200 locomotives, in the aggregate, to be received during the present year of 1906. Of these 200 locomotives so ordered, we have received up to date, I think, 146. They are or have been here since the 1st of November, and some since the fore part of October. But the manufacturers have not been able to keep their dates, and we have been disappointed to that extent, because of not getting our locomotives. They are now, however, coming in.

That increase in locomotives was equal, probably, in efficiency (considering the fact that they were modern and large engines) to somewhere from 20 to 30 per cent in the capacity of our engines assigned to the heavy freight service. We also placed orders for 5,000 freight cars. Of that number 2,000 and just a few hundred have been received only. One thousand steel gondolas that have just begun to arrive should all have been here in October. They were promised for delivery in October, and they were ordered in anticipation of the fuel business, but the manufacturers were unable to fill the orders. The 2,000 box cars which should be coming to-day—we should have had at this time probably 500—have not begun to come at all, but we expect that they will begin to reach us, at the latest, some time in January. We will have 2,000 cars coming in in January or February that should have been here in November and December. Now, that increase in car equipment, in capacity, is about 20 per cent of the equipment—what our equipment was before the order was placed. We felt that in ordering that number of cars we were not only providing for any reasonable increase in traffic, but that we were going considerably ahead of what we might reasonably anticipate.

Last year the ton-miles of the Burlington road increased 20 per cent. It so happened that the increase in ton-milage was about the same as the increase in the equipment ordered. If the equipment ordered had been received as expected, we would have been in better shape to take care of our people. Even as it is, the situation has not been very serious. West of the Missouri River there has been no general complaint so far as coal loading is concerned, and there is no foundation whatever for any complaint against the Burlington Company now, because for the last six weeks or two months we have furnished all the cars that could be loaded with coal in Wyoming, in the Sheridan district, and we have given our connections at Denver all the cars they would take for points in southern Colorado and for eastern Nebraska points. In fact, we have hauled empties up there in excess

of their requirements, so that west of the Missouri River there has been no shortage of coal.

There has been at times, and there probably may be to-day, a small shortage of cars for grain loading in eastern Nebraska, perhaps 200 or 300 cars, but that shortage does not exist for any great length of time. If there were a shortage to-day there would be a very slight, if any, shortage to-morrow. There is no case so far as I know where any elevator is full or unable to receive grain. The movement from eastern Nebraska just now is particularly active, and has been for the last week or ten days, which condition I suppose is brought about by favorable market conditions. East of the Missouri River we are failing to fill our orders for coal loading in southern Illinois. I think it is, however, fair to say that we are furnishing 75 per cent of the cars that are asked for. We are generally able to fill orders pretty well on Monday, Tuesday, and Wednesday. The last days in the week we fail more or less, but I think that 75 per cent of what is required is a fair statement of the situation.

So far as I have heard there has been no single instance of great suffering on our line; certainly, no requests at all have reached my office for any special movement of any special car for any special place. There has been some complaint (and I regret very much to admit that we have not been able to meet it) because we have not had the cars.

We are more fortunate than our neighbors in some respects, with reference to interchange. In October our car-balance sheet showed that we had 4,000 more cars off the line than there were foreign cars on our line. Since that time there has been a very heavy movement of business via the Burlington line from its Eastern connections, and to-day I suppose there are about 2,000 more foreign cars on the Burlington than there are Burlington cars off the line.

That condition of affairs comes about because of the change in the movement of commodities and cars coming onto our line loaded. There is no loading to take them off, practically, and they do not get back as promptly as they should. We are not short of equipment to-day because of our cars not being at home. We have as many cars belonging to other people as they have of ours.

Commissioner LANE. How many cars have you?

Mr. WILLARD. About 48,000.

Commissioner LANE. About 48,000 cars?

Mr. WILLARD. Yes, sir; about that.

Mr. MARBLE. Have you a car list showing the cars that are off your line and foreign cars on your line?

Mr. WILLARD. I have not it with me, but I can get it. We have such a weekly statement made.

Mr. MARBLE. I wish you would furnish us with such a statement, showing for the last three months the balances as they have run.

Mr. WILLARD. I would be very glad to. In that connection I have a statement, which I would be glad to give you if you desire it. It is a summary of our daily operation, and it shows the operations of the previous day (I think I have it with me). It shows, I think, for to-day that the total number of loads and empties ready to be moved on the entire system is less than one-half of the number of loads and empties moved during the previous twenty-four hours. I mention that to show that there is no congestion on the road; that the business that

was at stations to be moved is, in the aggregate, less than one-half of the business handled throughout the previous twenty-four hours.

Mr. MARBLE. These statements show the freight-car movements day by day?

Mr. WILLARD. Yes, sir. Those statements are prepared in very much more detail, the statements that are filed at my office every morning. I would be glad to furnish you with a file of the originals. It simply shows that the business is not congested.

Mr. MARBLE. I will file this with your testimony. What is the average daily movement of your freight cars?

Mr. WILLARD. Last year, the year ending June 30, 1906, it was 30 miles a day, or, rather, 29.9 miles per day for the year. In October last it was—that is this very last October—it was 33.3. The figures showing the average for the year, however, are hardly fair for this reason: Generally, from the first of April to the first of October, we have a large number of empty cars that of course are included in the divisor when getting at the average miles of cars, the average miles of all cars. I suppose one-third thereof was coal-car equipment which is out of service during the summer to a certain extent, and more or less of our box-car equipment. Still, many of our stock cars are also idle in the summer months, so that the figures in the summer, which would be included in the years average, are less than they should be, because of the fact that we are not able in the summer to make the same number of miles.

Mr. MARBLE. Then you have increased the movement this year over last?

Mr. WILLARD. The average miles made by all cars on the Burlington system for the year ending June 30, 1905, was 27 miles per car per day. For the following year, made under exactly the same conditions, it was 29.9 per day, or an increase of about 9 per cent. We made in October this year 33.3 with all cars and I think we are doing just as well now.

Mr. MARBLE. Well, then, this year shows a decided increase over last year.

Mr. WILLARD. I think it will, for the reason that there has been a more active demand for the cars this year than there was a year ago, but it is dependent somewhat of course on the weather conditions during the winter months. If the weather should be very severe that would reduce the mileage.

Mr. MARBLE. Is this increase in mileage at all due to any change in methods on the part of the road?

Mr. WILLARD. I think it is possibly due to the fact that we have been giving the matter very close attention for some time past, because our business has been particularly good, and we have been putting forth every effort on our part to take care of such increase. We have availed ourselves of every rule that we could think of in order to increase our mileage. We have watched the cars very closely, and we have a system of reports showing delays at all terminals that is very complete in its details. The matter is very closely watched by officers appointed for that purpose, and we have done as well as we know how in trying to get the maximum mileage. I think it is only fair to say that any improvement that has been made has been due to the fact that we have watched it more closely perhaps

than before. Then, too, before that the business was not so heavy and we were not pressed so hard. The fact that we are doing it a little better now is perhaps because the pressure is a little greater and has been so for the last year.

Mr. MARBLE. It is then a more vigilant enforcement of the rules now existing rather than any change in the rules?

Mr. WILLARD. I think so. I may say this, however, that in the last year we have been authorized by the directors to spend nearly $4,000,000—I think three million seven hundred odd thousand—in the improvement of terminals. At Galesburg, which is our first heavy division terminal west of Chicago, we are just completing arrangements that will cost about $700,000. We are expending now more than $1,000,000 at Lincoln, Nebr., in the improvement of terminals at that place. Now we have built this summer at Harlem, which is just this side of Kansas City, a new terminal which will cost upward of $300,000, and we have had to enlarge many of the terminals all along the road—at Denver and Omaha, and all along—and the aggregate amount of money which will probably be expended for that purpose will be not far from $4,000,000. Of course we ought to have received some benefit from those expenditures, if they were wise, and those improvements have no doubt helped somewhat to bring about a better movement of the cars.

Mr. MARBLE. Take for illustration a point 300 miles west of Chicago and a car of grain billed for the Chicago market passing through two division points. What length of time do you consider fair service for you to give that car before it is reported in here?

Mr. WILLARD. If that car should came over our own main line from Omaha, and pass through Iowa, passing through our main line terminals, it ought to get here at the rate of—it ought not to consume over twelve or fourteen hours per 100 miles, including the terminal delays. That would be contingent, of course, on some things. If we should receive cars for shipment of grain, for instance, on Monday, they might be detained for this reason: We have a very heavy movement of stock into Chicago on Monday, sometimes aggregating as many as 800 cars, and it takes practically all of our available power from Galesburg on Monday to bring that stock in. The power has to get back again, and on Monday, sometimes on Wednesdays and Thursdays, slow freight is delayed waiting for the preferred movement of stock. On other days there should be no such delay, and the grain ought to come 300 miles over the main lines at the rate of 100 miles in fourteen hours.

Mr. MARBLE. That includes the time in the division points?

Mr. WILLARD. Over our main line; but if that should come 300 miles over our branch lines (and 50 per cent of the mileage of the Burlington system is made up of branches on some of which the traffic is so light that we only run a way freight—one way freight each way—the runs are short and are affected by local conditions) if the car came over such a portion of the road as that, it would not make the same movement, because the way freights only run during the day time.

Mr. MARBLE. And you have such lines in Illinois?

Mr. WILLARD. Oh, yes.

Mr. MARBLE. And in Iowa?

Mr. WILLARD. Yes.

Mr. MARBLE. And in Nebraska?

Mr. WILLARD. In every State; yes.

Mr. MARBLE. Now, what proportion of the time taken by any usual shipment of grain would be on such a branch line?

Mr. WILLARD. I could not answer that directly. As I say, about 51 per cent of our entire system is made up of what we consider as branch lines, and yet about 50 per cent, I suppose, or 90 per cent of the business is done on 50 per cent of the railroad.

Mr. MARBLE. On the main line?

Mr. WILLARD. Yes.

Mr. MARBLE. And you fix that at from twelve to fourteen hours per 100 miles?

Mr. WILLARD. Assuming that it would come on a slow freight. I might mention this: The speed of our freight trains is very largely determined by commercial conditions. Take the main line of the Burlington road. Our records which have been kept for two or three years, made up on a practical basis, show that about 45 to 47 per cent of the freight-train miles on the main line are run by what we speak of as "expedited trains." That is, a train that makes a fast rate of speed in order to meet service conditions. For instance, take the stock runs and the movement of merchandise and high-class freight between Chicago and the Missouri River. That 47 per cent of our freight-train miles shows an average train of less than 68 per cent of the capacity of the engine, and even so much more freight as these trains do haul is not all fast freight. We run 5 or 6 fast freights out of here every night, and the average train consists of less than 68 per cent of the capacity of the engine; but the fast freight, which necessitates the running of that train, will constitute only a portion of the freight which is so carried, and in that event anything that happens to be going in that direction is put into the train in order to bring it up to 67 or 68 per cent of the capacity of the engine; so that if a car of slow freight happens to get on to that train, it would make that much better time.

Mr. MARBLE. You do that often—put on that class of freight often?

Mr. WILLARD. Yes, and our engines haul less than 68 per cent of what they should haul at a more moderate rate of speed.

Mr. MARBLE. What difference in running time between Chicago and Omaha do you figure that it would make to load that engine 90 per cent of its capacity, instead of 68 per cent?

Mr. WILLARD. It would make a difference of quite a good many hours. We run stock from Omaha to Chicago in twenty-four hours—twenty-four to twenty-eight hours. The slow train would probably be nearer forty-eight hours.

Mr. MARBLE. And that engine would be loaded to what capacity or to what extent of its capacity?

Mr. WILLARD. To its full capacity, whatever it would pull and get along in good shape.

Mr. MARBLE. Get along in good shape?

Mr. WILLARD. Yes.

Mr. MARBLE. That is to say, without dragging, and without delaying other trains by failing to make meeting points?

Mr. WILLARD. Of course, that would be proper railroading, to so load the engines that they can accomplish that result, get over

the road without dragging. I think there is considerable misunderstanding among many people as to the loading of an engine. On almost any railroad, the proper data would show—or on almost any division accurate information would show that perhaps not over 30 per cent of the total miles of that division would be of the maximum grade. Necessarily the engines are given a train which they can pull up the maximum grade and very rarely does that exceed 30 per cent of the entire division. This results necessarily in what would be underloading of the power were it not for the maximum grades for the division. We have no cars at the top of the grade to put in to the train, and the engine from that point on is running with a light load. Take it from the Missouri River clear through to Chicago, our ruling grade is sixty-six hundredths of 1 per cent. But, with the exception of a few miles, a strip about 6.8 miles long the balance of the grade is not more than three-hundredths of 1 per cent, and while the engine can only haul, perhaps, 1,500 or 1,600 tons up the 0.66 grade, which is the maximum grade, it could haul 2,500 tons after it got up there, but we haven't the 2,500 tons to put on, unless we have helpers to push them up the maximum grade, and we do that in the busy season. After the train gets up there, it is naturally running with a very much less tonnage than the engine could haul, but that is necessary so that dragging may not occur. Dragging, as we say, usually takes place on a very small portion of the road, and of course, on a division which is handling a considerable amount of business, there can not be much dragging, or it would greatly reduce the capacity of that division to move business. It would result in the trains consuming too much time.

Mr. MARBLE. Are you familiar with the pay rolls of your engine force?

Mr. WILLARD. Yes, to some extent.

Mr. MARBLE. Are they generally paid on a mileage basis?

Mr. WILLARD. Yes, sir.

Mr. MARBLE. Is there much overtime earned?

Mr. WILLARD. Yes, on some divisions. On some divisions it runs very high, and on others very low. East of the Missouri River it runs from 5 to 6 per cent, and in some months higher. West of the river it runs sometimes as high, on some divisions as high as 20 per cent; and I am very much ashamed of that.

Mr. MARBLE. When it is 20 per cent that means about two hours a day overtime for the men?

Mr. WILLARD. It means more than that for the trains that get it, because the majority of the trains get over the road and don't make it, but those that do make it make a lot of it. That is caused sometimes by bad water; that happens on the western portion of the line, where the water is bad. In some instances weather conditions are severe, and it seems as if all things were conspiring to retard the movement of freight.

Mr. MARBLE. Do you regard a car movement averaging from 27 to 33 miles per day as satisfactory, in view of the fact that slow freight, when it moves, moves 7 or 8 miles per hour?

Mr. WILLARD. We have no case where slow freight moves that slow when it moves.

Mr. MARBLE. Well, that makes the comparison still greater. Do

you regard this movement of freight cars as satisfactory, or do you think the movement of freight cars should be and can be stimulated?

Mr. WILLARD. I think it should be. Just how it can be I am not so clear. I am trying all I can, and I have been for some years, to stimulate the movement of freight cars, but I have not met with very encouraging success. We have done what we have done; we have done the best we could, and we have succeeded in making the increase that I have mentioned. I am ashamed every time that I ask the owners of the property to buy additional cars, when I have to show that we are only doing what we are.

Mr. MARBLE. Have you had much trouble with cars being used as warehouses?

Mr. WILLARD. Well, we share it in common with other roads.

Mr. MARBLE. Is that due to the fact that your rules are not properly framed, or to the fact that they are abused?

Mr. WILLARD. You might say that it is owing to both of those causes. Railroad conditions and the whole scheme of transportation, the transportation end and the commercial end, are two things which are interwoven to such an extent that none of the various conditions which we confront have appeared suddenly. They have grown up together and gradually. The facilities with which manufacturers and people who do business with us provided themselves some years ago have in some degree at least become smaller rather than larger. That may be said to be owing to this reason: Here in Chicago, people doing business here purchased land some years ago, and put a plant upon it, and had sufficient surplus land for storage room and trackage facilities. Since then commercial conditions have warranted them in increasing their plants, and they have done so, but they have used up the storage room and they have not any more trackage room than they had before. They have been severely pressed under such conditions to handle the business, and of course it complicates and embarrasses our end of it. Of course, when I say, and when it is a fact, that the railroad business has increased 20 per cent in the last year it simply means that the business of everybody else which we serve has increased to the same extent.

I think the shippers are fully alive to the situation. I find them so along our entire system. I think they appreciate the fact that the unnecessary detention of cars means fewer cars for all, and we have found them as a rule willing to cooperate with us. They can not bring about a change all at once. I believe if we should say to the man who had been detaining cars three or four days that on to-morrow we were going to cut him off and let him have a car only one day it would not be right. I think the people that we serve, as a rule, are willing to adjust themselves to the conditions, and are doing it as rapidly as they can.

Mr. MARBLE. You do not feel at all like laying the blame for the matter entirely on the shippers or entirely on the railroads?

Mr. WILLARD. No; I think it has been mutual. The growth has gone ahead of anything that either one of them could foresee. We would know how to deal with shippers if they detained our cars unnecessarily.

Mr. MARBLE. Are you making or do you contemplate making any change in your rules?

Mr. WILLARD. Yes, we have made some change already. The matter was discussed to-day, as to the reconsignment of coal. We have had some trouble of that kind. Coal would come into our yards here in Chicago and not be consigned promptly. We saw the people who were doing it and explained to them what happened under such conditions, and in most instances they were willing to meet the situation. There happened to be two or three little cases where they did not respond, and I gave instructions to the effect that we would not furnish cars for their loading. That settled that. I have not any fear at all but what we will be able to work out with our shippers such improvements as may be necessary, or which are, at any rate, desirable.

One thing that we have tried to encourage for the last few years, and in reference to which we have met with very good success, is the matter of having people who receive coal put themselves in a little better shape to unload cars more promptly, but even in that regard we have not been able to do quite as we ought to. We have bought in the last three years 3,000 box cars with the bottoms fixed so the coal could be dropped out, and of the 11,000 open gondola cars we have there are 4,000 with drop-bottom arrangements. We have said to our shippers, "We would like to have you erect a small trestle at terminals, and we will put the cars on there, and you can dump them quickly and save the expense of shoveling, and save the delay to the cars."

In some cases they have done that, but of course it follows that where only half of our equipment is so fixed we can not always guarantee that after they have spent their money for the trestle they will always get the cars that will dump. We have not been able to press it and say, "You must do this," because it might happen that after they had got their trestle fixed we would give them a car that could not be dumped at all. But they show a disposition to be fair—at least I find them so.

Mr. MARBLE. Have you plenty of power, motive power?

Mr. WILLARD. Yes, we have a surplus of power. Six weeks ago, in October or September, we loaned 15 of our best engines to the Great Northern road to help them, and now we have them all back, and there is no shortage of power on our system whatever. We are not short, and our daily statement shows that there is no congestion on the line anywhere, and we have got about forty more engines coming within the next two or three weeks.

Mr. MARBLE. How about labor?

Mr. WILLARD. Labor is hard to get in certain lines.

Mr. MARBLE. Engine hands?

Mr. WILLARD. We have no trouble with them. The only trouble we have had from labor is that we have been very much handicapped in making improvements—terminal improvements. It was very hard to get unskilled labor during the summer, and part of the work that should have been finished some weeks ago is not finished yet.

Mr. MARBLE. Skilled labor you have had no difficulty in obtaining?

Mr. WILLARD. We have had no difficulty in getting all of that we needed. We have taken care of our cars and engines.

Mr. MARBLE. And yet, with all of these difficulties, so far as you have described them, according to this statement here you are only

about half a day behind in your business, so far as movement of loaded cars is concerned?

Mr. WILLARD. Oh, no. We never would get any closer up than that. We could not get any closer. I think that statement is as good as we could get. I would not undertake to say that with all the facilities we could get, that we could make it much better than that is, as far as the movement is concerned. The only way that we are hurt in the shortage of equipment is this: We are not able to give everybody a car who wants to load one to-day. We are failing to furnish every man with a car who has a load to ship. Of course, from purely selfish interests, we would be glad to furnish everyone a car who wanted one. Our earnings would be better if we had more cars, but the cars that we have are being moved promptly; there is no congestion anywhere.

Commissioner LANE. Does your report mean that to-morrow you will be able to give the man who wants one a car?

Mr. WILLARD. No, that report has no reference to the furnishing of cars, but to the movement of the car that has been loaded, and the number of empties available. That is a report taken at 5 o'clock every morning on the whole system, showing the number of loads and empty cars at all points awaiting movement; also showing that the number of loads and empties at all points awaiting movement at 5 o'clock this morning was less than half in number of the total number that was used yesterday, so that we are then within twelve hours of being out of business. There is no congestion there.

Commissioner LANE. Does not that mean that the man who wants a car for to-morrow can get it?

Mr. WILLARD. No, it does not mean that. It means that all the empties we have are being moved promptly, but it does not mean that we have got all the empties that our shippers would like.

Commissioner LANE. Well, 75 per cent of them?

Mr. WILLARD. That is in southern Illinois. West of the river we are very much better than that, because we have taken especial pains west of the river to keep our cars well supplied out there. The people along our line have to depend on the Burlington Road, and the situation is somewhat different than it was in southern Illinois. There has been no shortage in Wyoming.

Mr. MARBLE. Those orders that are behind or that you don't fill—does that mean that you refuse to take those orders?

Mr. WILLARD. No, no; the man will order 20 or 30 cars to load with coal to-morrow, and perhaps we are only able to furnish 15, and the next day he will get 15, and the next day we furnish 15. It means simply that we are not able to give every man all the cars he would like to load coal in.

Mr. MARBLE. Do you know whether or not any of these people ordering cars are acquainted with this fact, and are ordering more than they really want so as to get what they do want?

Mr. WILLARD. We sometimes find that to be the fact, but to what extent that applies in this case I am unable to say. There are some things in the coal business affecting the use of cars; some of them are within the power of the shippers to fix and some are perhaps not. There is a rule that obtains in all the soft-coal territory, which is this: Unless a car that is for that day's loading—all cars for that day's loading—is placed in not later than 8 o'clock in the morning, the miner

won't go into the mine, and if the cars should arrive later these empties remain idle until the following day. Now, the mine operator can not help that condition of things, because that is a rule of the union and he is powerless. It is one of the conditions that work against the best use of the equipment. Then, again, some of the mines have not prepared themselves to load box cars. They want open cars all the time and, we are sometimes compelled to furnish box cars and stock cars for loading, and they can not load them because they have not arranged for it. In nearly all cases they can only load a certain number of box cars, because they have a portion of their output which is screened fine coal, and that is all loaded in open cars, and unless we furnish a sufficient number of open cars together with the box cars they won't run them out.

Mr. MARBLE. Has your company had any peculiar difficulties at the Chicago terminal?

Mr. WILLARD. Nothing peculiar. We get a little crowded here, but we took measures within the last two weeks to clear up our yard, and we have no congestion in Chicago to-day at all.

Mr. MARBLE. Has it been true that grain in cars of the Burlington road was selling for less on the board of trade in this city than grain in cars of other roads?

Mr. WILLARD. It may be; I have not heard of it.

Mr. MARBLE. Your situation here is better than it has been?

Mr. WILLARD. It is absolutely all right. We have no congestion at all.

Commissioner HARLAN. If you have no congestion, then your difficulty is simply the complaint of car shortage.

Mr. WILLARD. That is all the difficulty that I am aware of. All the complaint that I know of to-day would be that of certain shippers who have ordered 20 cars and only got 15. There will be cases on the Burlington to-day, and every day this year, and every year, where cars will be unexpectedly detained or they will be held for repairs or something, in a way that makes us all blush when we hear about it. That is perhaps due to lack of system, or the need of better discipline, or things of that kind, but that is no greater to-day than it has been at all times. There are, of course, individual and exceptional cases, but the only real complaint that I know of that could be made against our company is that we are failing in Illinois to furnish 100 per cent of the empties ordered. I think we are furnishing 75 per cent or more.

Commissioner HARLAN. Have you many complaints coming to you from shippers along your line?

Mr. WILLARD. Some from shippers, but I have not had any from consignees. It is not an uncommon thing to receive a letter from a shipper saying that yesterday he only got 15 cars where he ordered 20.

Commissioner HARLAN. Practically none from consignees?

Mr. WILLARD. I have not had any that I recall.

Commissioner HARLAN. Do you know what the appropriation for this year is for improvements and betterments for your system?

Mr. WILLARD. I know what they were in the year 1906.

Commissioner HARLAN. What were they for 1906?

Mr. WILLARD. We had a lot of them that ran over, that were not

completed, which we worked up this year. Those that were incomplete and, I believe, the new works were upward of $16,000,000 for equipment and new work.

Commissioner HARLAN. What was it the year before?

Mr. WILLARD. I do not remember, but I should imagine that we spent the year before probably $6,000,000 or $7,000,000.

Commissioner HARLAN. That is exclusive of car equipment?

Mr. WILLARD. Well, not this year, no. Of the $16,000,000 this year, there was about $4,000,000 for new car equipment. Those figures, however, I would be glad to furnish you.

Commissioner HARLAN. If you will we will be glad to have them, beginning with the year 1901.

Mr. WILLARD. I am just speaking from memory, of course.

Commissioner HARLAN. A statement showing the appropriation for improvements and car equipment, and then the additions to terminal facilities, tracks, and so on.

Mr. WILLARD. I will be very glad indeed to do that.

Commissioner HARLAN. Also showing your increase in tonnage over the same period, and your purchase of new cars.

Mr. WILLARD. Yes, sir; I will be glad to do so.

Mr. MARBLE. And, if you can do so, showing your probable expenditures for next year.

Mr. WILLARD. I have been already authorized to purchase 75 locomotives and I have placed an order, and I will have a balance of 25 for next year. We will probably purchase 100 locomotives. I have recommended that we try to get 5,000 cars next year. We probably can not get them delivered, but we can get some of them. To-day we can not get deliveries promised until next October.

Commissioner HARLAN. Don't you build your own engines?

Mr. WILLARD. No, sir. We have built some since I have been with the company. We have built about 20 switch engines, but we have increased our equipment so rapidly that our shop capacity has not permitted us to take care of it and build new engines. We expect, however, this next year to ask for authority to spend a million and a quarter on increased shop facilities and we may be able to then build a few switch engines. We would not undertake to build the heavy freight or passenger engine.

Mr. MARBLE. You will bring the car sheets showing the number of your cars on foreign lines and the number of foreign cars on your lines, so that it may be filed with the Commission.

Mr. WILLARD. Yes, I will have those sent in.

(Witness excused.)

JAMES M. WARNER, called as a witness, having been duly sworn, testified as follows:

Mr. MARBLE. You reside in the city of Chicago?

Mr. WARNER. Yes, sir.

Mr. MARBLE. You are general superintendent of the C. and W. I. Railroad Company?

Mr. WARNER. Yes, sir.

Mr. MARBLE. What is the full name of that road?

Mr. WARNER. Also the Belt Railway of Chicago.

Mr. MARBLE. C. and W. I., what do those initials stand for?

Mr. WARNER. Chicago and Western Indiana.

Mr. MARBLE. What is the peculiar function of the Chicago and Western Indiana Railway?

Mr. WARNER. We furnish terminal facilities for five companies.

Mr. MARBLE. For which companies?

Mr. WARNER. Practically for six; the Chicago and Eastern Illinois—to them we furnish freight terminals. For the Grand Trunk, the Monon, Chicago, Indianapolis and Louisville; the Erie, the Wabash, and also furnish passenger facilities for the Santa Fe road.

Mr. MARBLE. Is that Belt Railway Company another institution, another corporation altogether?

Mr. WARNER. Yes, sir; that is a transfer railroad.

Mr. MARBLE. A switching railroad?

Mr. WARNER. Yes, sir.

Mr. MARBLE. Who owns the Chicago and Western Indiana? Is it a separate corporation, or is it owned and controlled by the railroads which it serves?

Mr. WARNER. It is owned by the five proprietary companies which I have named, not including the Santa Fe road.

Mr. MARBLE. And the Belt Railway Company?

Mr. WARNER. It is owned by the same company.

Mr. MARBLE. Have you ample terminal facilities for the companies which you represent?

Mr. WARNER. Yes, sir.

Mr. MARBLE. You do not consider that the operation of those roads is congested or hampered by reason of insufficent terminal facilities?

Mr. WARNER. Not in the Chicago district; no, sir.

Mr. MARBLE. The Belt Railway, engaged in switching, is it able to give satisfactory service?

Mr. WARNER. Yes, sir.

Mr. MARBLE. You do not consider that you are making any undue delays in moving cars from one road to another?

Mr. WARNER. No, sir. We are increasing our facilities on the Belt Railroad, and we have increased our facilities on the Chicago and Western Indiana to quite a considerable extent in the last year or two, and extensive increases in facilities are authorized and will be made in the coming year.

Commissioner HARLAN. At a total expense of what?

Mr. WARNER. For those authorized on the Western Indiana it will approximate something like $6,000,000. That includes the elevation of its tracks and the laying of additional tracks also. The increase on the Belt Railway proper will approximate something like $1,000,000 or $1,250,000 for the increased yard facilities principally.

Mr. MARBLE. You heard the testimony this afternoon in regard to the length of time required to get a car through Chicago from one road to another, did you not?

Mr. WARNER. I do not know that I heard the length of time stated that it required. I missed some of the statements of the gentleman on account of not being able to hear, as I was sitting in the back part of the room.

Mr. MARBLE. Testimony to the effect that coal coming in here from the East and being switched, and the trains segregated, and switched again to the point of reconsignment—that, considering all those things, it took several days to get a car through Chicago, and several different switching operations. Did you hear that testimony?

Mr. WARNER. I heard part of it, but not sufficient of it to remember now what was said.

Commissioner HARLAN. Mr. Midgley stated, Mr. Warner, in connection with his theory that through cars ought not to be brought into the city at all—that they ought to be cleared out at the Stickney track—he said that cars brought into the city, consigned to points beyond, sometimes take as much as two or three weeks to get out of the city and be sent forward on their journey—their eastern or their western journey, as the case may be.

Mr. WARNER. I did not hear that portion of the testimony, but I would not believe that it would be necessary to consume as much time as that under ordinary conditions. Congestion in some one of the companies' yards might result in unusual delay, but I do not think that the time consumed in moving cars through Chicago is anything like as great as that.

Mr. MARBLE. What do you think it is?

Mr. WARNER. Well, it varies. Under the present arrangement of allowing a certain amount of free time in Chicago for the reconsigning of cars it possibly would take a week, providing the consignee availed himself of all the free time that is given under the rules on certain commodities. For instance, on coal, I think at the present time a limit of five days is given for the reconsignment of coal. Now, assuming that he used up all that time, it would probably take two or three days before the coal was finally moved out of Chicago. The delays, as I see them, in the large switching districts, are due, in a great measure, to the time consumed in waiting for reconsignments. In some cases, perhaps, there is an unnecessary amount of rehandling of the car, and the perfect movement, as I see it, would be the movement from the point where the shipment originates direct to the destination without any rehandling. That, of course, is impossible.

Next to that is to reduce such waste time to a minimum. To do that would necessitate, first, the final destination being shown or given at the originating point. Second, the facilities of the railroad companies should be so arranged that they could reduce the rehandling of the car—that is, I mean by that the ability to move it from one yard or one station to another station in one or two movements of the car and not be compelled to resort to so many movements before it is finally placed, which results in a delay at each one of the several stations that it is stopped at for rehandling or classification.

Then, in order to bring about that result—to reduce the delay as much as possible—it would be necessary, presumably, to make some change in our present practice. It would be necessary possibly for the consignee to have a sufficient amount of storage room for certain of the commodities to tide him over—storage sufficient to accommodate a supply for a day or two days. That would be sufficient time to cover the incidental delays in the movement of the car, due to the various causes, including weather conditions, that sometimes result in the slow movement of cars.

It seems to me that, by the united action on the part of both the railway companies and the shippers, that there could be an improvement in the moving of cars through the terminals without any serious difficulty or expense to either.

Mr. MARBLE. Have you any changes to recommend by which those

shippers who are not willing to do what they should in this respect could be forced by self-interest to do so?

Mr. WARNER. Why, I am not so thoroughly informed on this subject, but it is my idea that if a reconsignment charge were made in the terminal district it would have the effect of reducing that class of delays which now exist and which are due to the holding of cars for reconsignment.

Commissioner HARLAN. It was stated here to-day by a coal man that there is a reconsignment charge of 40 cents a ton. That amounts to about $12 a car, does it not?

Mr. WARNER. Yes; I do not think that that is general in the Chicago district. I think there are a large percentage of the roads that, up to the present time, have made no reconsignment charge; that the business has been brought into Chicago subject to reconsignment orders and no charge has been made for it.

Commissioner HARLAN. Not even a switching charge?

Mr. WARNER. No; not even a switching charge in some cases.

Commissioner. HARLAN. What is the general practice?

Mr. WARNER. I think that has been the general practice among the railroads, as a whole.

Commissioner HARLAN. Do you regard the reconsignment privilege as a thing that is very much abused by the shippers?

Mr. WARNER. Yes; I do.

Commissioner HARLAN. And that it has much to do with this delay?

Mr. WARNER. I do; I think it has.

Commissioner HARLAN. In getting cars moved?

Mr. WARNER. Yes, sir.

Commissioner HARLAN. Well, now, could you take a typical case? Say a shipment of coal from the East that comes to Chicago on a coal-carrying road, and then is reconsigned to some point in the West—now, what would be the probable movement of that car within the terminal limits of Chicago, and what is the number of days that would be consumed?

Mr. WARNER. It would come to Chicago, consigned to John Smith, notify some one.

Commissioner HARLAN. Yes, sir.

Mr. WARNER. Under the present rules they would be entitled to five days' free time for holding that car.

Commissioner HARLAN. Where would the car be held?

Mr. WARNER. It would be held by the road bringing it into Chicago.

Commissioner HARLAN. Within the city limits of Chicago, or at some outside yard?

Mr. WARNER. In some cases within the city limits, and in others just outside of the city limits. For instance, take the Erie. I think their storage yard is at Hammond, Ind., just outside of the city limits, while the storage yard of the Illinois Central is inside.

Commissioner HARLAN. It would stay in Hammond, say, for five days?

Mr. WARNER. Yes, sir.

Commissioner HARLAN. And then it is reconsigned to Omaha, we will say?

Mr. WARNER. Yes, sir.

Commissioner HARLAN. Now, what would be its course?

Mr. WARNER. The road bringing it into Chicago would deliver it to the outbound road. If it was going over the Burlington it would be delivered to the Burlington.

Commissioner HARLAN. Would it not get onto your belt line at all?

Mr. WARNER. It might not. We handle only about, I should say, 40 per cent, 33 to 40 per cent of the business. Some of the business is delivered direct by the companies bringing it in here to the companies taking it out.

Commissioner HARLAN. If it were handled on you line, who would pay the switching charge?

Mr. WARNER. The road that gave it to us, delivered it to us—the delivering road.

Commissioner HARLAN. Not the shipper, except under some rules recently established? Is that the case?

Mr. WARNER. Not so far as I know. I do not think the shipper pays it where it is a through shipment—where it is going beyond Chicago.

Commissioner HARLAN. Do you think the abuse of the privilege of reconsignment is so serious that measures should be taken to curtail that privilege?

Mr. WARNER. I think that it largely contributes to the terminal delay.

Commissioner HARLAN. Is it the largest factor in the terminal delay?

Mr. WARNER. I think so.

Commissioner HARLAN. What other factor enters into that delay?

Mr. WARNER. In some cases the facilities of the railroads are not sufficient to handle the business without causing some delay.

Commissioner HARLAN. I had in mind any other factor, not of that kind that would require new construction or new yards. Is there any other rule or privilege enjoyed by shippers that tends to delay the movement of cars?

Mr. WARNER. Well, under the present rules the grain receivers are allowed five days to unload their grain. As to many of the other commodities only forty-eight hours is allowed. On hay, I think, the allowance is something like four days after it is placed on the team track, and it is then occupying room that is very valuable; but the shipper says that that is a necessity in order that he may properly dispose of the hay by sample on the board of trade.

Commissioner HARLAN. Is that four days after the notice is sent to the consignee?

Mr. WARNER. Yes; after the car is actually placed on the team track; that is my recollection of the rule.

Commissioner HARLAN. Without regard to when the notice arrives in the hands of the consignee?

Mr. WARNER. Well, I think the notice must be sent out a sufficient time in advance to permit of its being received by him before the car is placed before it becomes effective.

Mr. MARBLE. Do your roads own any cars of their own?

Mr. WARNER. Yes, sir.

Mr. MARBLE. You furnish cars?

Mr. WARNER. For local business; yes, sir.

Mr. MARBLE. You have local business, as between the different industries in the city?

Mr. WARNER. Between different industries on our road.

Mr. MARBLE. The switching railroad company has no equipment, has it, or does it have cars also?

Mr. WARNER. I refer to the switching road. They own something like 700 or 800 cars.

Mr. MARBLE. You have enough?

Mr. WARNER. Yes, sir.

Mr. MARBLE. And enough power?

Mr. WARNER. Yes, sir; more than enough power.

H. G. EARL, called and sworn as a witness, was examined and testified as follows:

Mr. MARBLE. You reside in the city of Chicago?

Mr. EARL. Yes, sir.

Mr. MARBLE. And you are the superintendent of car service of the Chicago Junction Railway?

Mr. EARL. Yes, sir.

Mr. MARBLE. What is the Chicago Junction Railway?

Mr. EARL. It is a switching road.

Mr. MARBLE. Substantially similar to the Belt Road?

Mr. EARL. Yes, sir; to a large extent.

Mr. MARBLE. What different function do you perform from that which is performed by the Belt Road?

Mr. EARL. Well, I don't know that we perform any different function.

Mr. MARBLE. Do you serve more railroads than the Belt Railroad does?

Mr. EARL. We serve all the roads entering Chicago.

Mr. MARBLE. Does the Belt Road also serve all the roads entering Chicago?

Mr. EARL. I do not know that they do.

Mr. MARBLE. You do not know about that?

Mr. EARL. No, sir.

Mr. MARBLE. Is your business substantially a stock yards business?

Mr. EARL. Yes, sir.

Mr. MARBLE. What delays do you find to cars entering Chicago and interfering with their movements that you think can be remedied or obviated?

Mr. EARL. I do not believe that I am in a position to answer that question to your satisfaction. We handle the cars for the other roads, and they all have their representatives at the stock yards. The orders are placed with those representatives by the industry desiring cars to load, and we handle them simply from the consignment and carding of the cars. I am not in a position to know whether there is any delay or not in furnishing cars.

Mr. MARBLE. How long are the cars in your possession as a usual thing?

Mr. EARL. You mean in making delivery to or from the consignee?

Mr. MARBLE. Yes. As I understand it, you have loaded cars for delivery to the stock yards, and you take the empties to the road from which you receive them.

Mr. EARL. Yes, sir.

Mr. MARBLE. What length of time elapses between the time that the loaded cars are placed at your disposal and the time that you place the empty cars at the disposal of the originating road?

Mr. EARL. Well, it depends a good deal on the commodity that is handled.

Mr. MARBLE. I am speaking of stock.

Mr. EARL. We don't handle stock. The various roads have trackage rights over the Junction Railway and they bring the stock in and take the cars out with their own engines. There is no delay there.

Mr. MARBLE. Have you observed their movement?

Mr. EARL. No; I have not.

Mr. MARBLE. You are not able to testify as to that?

Mr. EARL. No, sir.

Mr. MARBLE. As to the other commodities, about what length of time are the cars in your hands?

Mr. EARL. Well, about 50 per cent or more of our business consists of perishable commodities, and of course they are handled very promptly—in a few hours' time.

Mr. MARBLE. How long a time elapses with perishable commodities between the time when the car is placed at the consignee's disposal and the time when you get it back into your hands and return it to the originating road?

Mr. EARL. Most of those cars are owned by the industries doing business at the yards.

Mr. MARBLE. You do not feel concerned, then, with the length of time that is taken?

Mr. EARL. No, sir.

Mr. MARBLE. Well, as to the other 50 per cent of your business, what does that consist of?

Mr. EARL. Well, various commodities—coal and lumber.

Mr. MARBLE. Wheat?

Mr. EARL. No, sir.

Mr. MARBLE. You don't handle any wheat business?

Mr. EARL. No, sir.

Mr. MARBLE. Coal and lumber?

Mr. EARL. Yes, sir.

Mr. MARBLE. What length of time do you take for the switching service on that?

Mr. EARL. Well, it depends a good deal on circumstances.

Mr. MARBLE. Well, state the extreme length of time.

Mr. EARL. Of course, the movement of stock and of perishable freight must be given preference in all cases, and it is difficult to say just what the average time is. I do not know that I ever had occasion to figure that out.

Commissioner HARLAN. How long have you been connected with your road?

Mr. EARL. Something over two years. It may be proper to state to the Commission that my duties are more in connection with the accounting department than with the operating department, so I am somewhat incompetent to give the Commission all the information they would like to have. Perhaps some other official of the company would be better.

Mr. MARBLE. Is it not a fact that your road is very largely occupied with packing-house business, bringing in packing-house supplies, and in taking their products away to the different railroads?

Mr. EARL. Yes, sir.

Mr. MARBLE. That is a large part of its business, is it not?

Mr. EARL. Yes, sir; quite a large part.

Mr. MARBLE. And that is handled in private cars very largely?

Mr. EARL. Why, to a certain extent; yes, sir.

Mr. MARBLE. Well, to what extent?

Mr. EARL. Well, that I could not say.

Mr. MARBLE. We have found all these railroad men very ready with figures of percentages.

Mr. EARL. Yes. Well, I should say something over 50 per cent.

Mr. MARBLE. And that is in private cars?

Mr. EARL. Yes, sir. Of course now in addition to serving industries, we do an interchange business with different roads. We do not handle cars to any extent with our own power, but the roads make use of our tracks in making their deliveries to different lines.

Mr. MARBLE. The business that is handled with your power—what is that? Is it largely this packing-house business that we have described?

Mr. EARL. Yes, sir.

Mr. MARBLE. What per cent of your business would be made up in that way?

Mr. EARL. It is quite a large percentage; I have not any figures.

Mr. MARBLE. Fifty per cent?

Mr. EARL. O, yes.

Mr. MARBLE. Considerably more?

Mr. EARL. Well, I should say considerably more.

Mr. MARBLE. Possibly 75?

Mr. EARL. Possibly 75 per cent.

Mr. MARBLE. The coal switching that you do, does that consist of taking reconsigned coal cars from the railroads entering Chicago and delivering them to the road taking the coal out of Chicago?

Mr. EARL. No, sir; we do not do any of that business to speak of. Cars are reconsigned before they reach us, to industries in the stock yards, and we deliver to the industry.

Mr. MARBLE. It is largely a stock-yards business?

Mr. EARL. Yes, and there is no reconsigning done at the yards, or at least a very small amount.

Mr. MARBLE. What length of time is consumed by a coal car taken to the stock yards, between the time you receive the car from the originating road and the time when you deliver the empty back to the road which gave it to you?

Mr. EARL. Well, I do not really know. It might possibly be seven days.

Mr. MARBLE. You consider that about the average?

Mr. EARL. I should say so, yes.

Mr. MARBLE. How much of that time has been consumed by your road as necessary time for the performance of the physical operations which it does perform?

Mr. EARL. Well, I should say it would be four days on the average.

Mr. MARBLE. That is to say, you are occupying four days with the car?

Mr. EARL. I think possibly that would be it.

Mr. MARBLE. And if the consignee holds the car about three days on the average, that would make up the seven?

Mr. EARL. Yes, sir; that is as close an estimate as I could make; and possibly I have estimated our own detention a little too high. Maybe the consignees detain the cars longer than that, and I think, probably, take it from day to day, it will average up about 50 per cent each.

Mr. MARBLE. You think it is about half and half?

Mr. EARL. Yes, sir.

Mr. MARBLE. Do you regard your service in respect of time as satisfactory, considering the operations which you perform, or do you hope to better that?

Mr. EARL. Well, in dealing with that situation, we are doing the best we can, as well as we can under the conditions.

Mr. MARBLE. Do you hope to better the conditions?

Mr. EARL. We do not feel that we will be able to under the circumstances.

Mr. MARBLE. Under the circumstances?

Mr. EARL. The district is very much congested over there.

Mr. MARBLE. You have not enough facilities so far as trackage room is concerned?

Mr. EARL. It is the question of room, space.

Mr. MARBLE. You need more room?

Mr. EARL. We need more room, and the industries need more room—the industries that are located there now. They have badly outgrown the facilities that they have, or they have really outgrown them to a great extent.

Mr. MARBLE. You are not behind in your work, are you?

Mr. EARL. No, sir.

Mr. MARBLE. You are keeping up?

Mr. EARL. Yes, sir.

Mr. MARBLE. Who owns your road; is it owned by other railroads?

Mr. EARL. I could not say who owns the road; it is not owned by other railroads.

Mr. MARBLE. It is a corporation, with individual stockholders, is it?

Mr. EARL. Yes, sir.

W. M. STICKNEY, called and sworn as a witness and testified as follows:

Mr. MARBLE. What is your business?

Mr. STICKNEY. I am in the grain business.

Mr. MARBLE. You are a grain commission merchant?

Mr. STICKNEY. Yes, sir.

Mr. MARBLE. With the firm of Lowell, Hoit & Co.?

Mr. STICKNEY. Yes, sir.

Mr. MARBLE. You are especially conversant with shipping conditions throughout the State of Iowa?

Mr. STICKNEY. Quite well; yes, sir.

Mr. MARBLE. You have traveled in that State considerably in the last year or two?

Mr. STICKNEY. Yes, sir.

Mr. MARBLE. Your grain business comes largely from that State?

Mr. STICKNEY. Yes, sir.

Mr. MARBLE. You are especially familiar with the shipping conditions which prevail as to farmers' elevators and the independent shippers of grain?

Mr. STICKNEY. Yes, sir.

Mr. MARBLE. Grain received by your firm is largely from the independent elevators?

Mr. STICKNEY. Yes, sir.

Mr. MARBLE. And you recently, in view of this investigation, addressed a circular letter to your correspondents in the State of Iowa, did you not?

Mr. STICKNEY. Yes, sir; and in Illinois.

Mr. MARBLE. How many of those letters did you send out?

Mr. STICKNEY. We sent out about 175 of them.

Mr. MARBLE. And this is a copy [referring to a paper produced by the witness]?

(The same is hereto attached and marked "Exhibit No. 1 to Mr. Stickney's testimony.")

Mr. STICKNEY. Yes, sir; that is a copy of the blank questions?

Mr. MARBLE. This is the form that you sent out?

Mr. STICKNEY. Yes, sir; that is the form.

Mr. MARBLE. Does the Commission desire to hear these questions?

Commissioner LANE. You might read the questions; yes.

Mr. MARBLE (reading):

"Name of firm?

"Where located?

"Are you regularly engaged in the grain business?

"Have you had any difficulty in obtaining cars in which to ship grain during the last twelve months?

"Did you make every effort possible during the time mentioned to secure the cars ordered?

"What do you consider has been the financial loss to your company during the last twelve months on account of the railroad company not furnishing, within a reasonable time after ordering, an ordinary number of cars in which to ship grain?

"What do you consider would have been the financial gain to the farmers in your community during the last twelve months had they not been prevented by scarcity of cars from marketing their grain when they desired to sell?

"Have conditions been practically the same at other stations in Iowa where you are acquainted?

"How much money have you lost during the last twelve months on account of grain heating in transit or otherwise deteriorating and through changes in the market because of the unreasonable delay of cars in transit?

"Are you not compelled to load many old worn-out cars that are practically unfit for service, in order to get any grain at all to market at certain seasons of the year?

"Do you think conditions in regard to the car situation will be any better this winter than last winter?

"Are you in favor of State and national reciprocal demurrage laws?"

Mr. MARBLE. How many replies to this circular have you received?

Mr. STICKNEY. I have about 150 to 175. I do not remember.

Mr. MARBLE. And these are the replies [referring to papers produced by the witness]?

Mr. STICKNEY. Yes, sir.

(The same are attached hereto and marked "Exhibit No. 2 to Mr. Stickney's testimony.")

Mr. MARBLE. Now, without stopping to read these letters, will you state their general tenor—state what you conclude to be the general answer to all these questions, judging by these 175 replies?

Mr. STICKNEY. Well, if I remember rightly—I looked over them hastily—there were about 35 of these that replied, or perhaps 40, that were located at junction points, who said that the loss on account of not being supplied with the ordinary amount of equipment in which to ship grain was small. The balance of them, something like 100 in number, or more, placed their loss at from $300 to $10,000; a number of them at $5,000, and a good many of them at $3,000, and a good many of them at $1,000. Just what the percentage was I do not know. I looked over them very hastily, as they did not come in till yesterday, or the day before. A very large number of them have lost money on account of grain heating in transit and being a very long time on the road.

Commissioner HARLAN. Just what is that—grain heating in transit—what causes it; do you know?

Mr. STICKNEY. Well, you take it at this time of the year—and corn is a perishable commodity, almost as much so as fruit, you might say. When you take a car of grain, and ship it from central Iowa, or a car of corn at this time of the year, and let it be on the road ten or fifteen or twenty or twenty-five days, it is very likely to heat in transit.

Commissioner HARLAN. Well, is it affected by the moisture of the atmosphere, or is it just the natural tendency of the corn?

Mr. STICKNEY. It is the natural tendency of the corn at this time of the year after being shut up so long in a box car.

Commissioner HARLAN. Would it do the same thing in an elevator?

Mr. STICKNEY. Yes; to a great extent it would; it would do the same thing in an elevator.

Commissioner HARLAN. Is it a sort of process of fermentation?

Mr. STICKNEY. Well, no; I do not know as it is that. Of course, oats have a sweat to go through, you know that, and you have to deal with it, and after you get them into a bin they have to go through that sweat and always come out better on that account. A car of oats will very often heat in transit, but if they are left in the car until they are through the sweat it does not do them very much harm; but you start corn either in an elevator or in a car to heating, and it is almost impossible to ever cool it.

Commissioner HARLAN. It destroys the value completely?

Mr. STICKNEY. Oh, no; but to a great extent—from 4 to 15 cents a bushel. I think Mr. Marble has a statement there, which I prepared last winter when we had the reciprocal demurrage bill before the legislature in Iowa. At that time, for 300 cars of corn shipped in January last to reach destination here, I prepared a statement for the committee. I handed the statement to Mr. Marble this morning. It is the same statement that I prepared at that time.

Mr. MARBLE. This is the statement, but I am afraid you will not

impress the Commission very much with it. They have been getting statements from the Northwest that are so much worse that this looks mild.

Mr. STICKNEY. Well, no; perhaps it may not impress them very much, but from this statement you will find that a great many of the cars arrived here—that is quite a number of them—in four, five and six days.

Mr. MARBLE. Coming what distance?

Mr. STICKNEY. About 300 miles, from central Iowa, which is very good time indeed. Nobody could complain of that. It seems to me that a car of grain should come in six days at least from central Iowa, when they bring a great many of them in two days; but you will find in this statement that there are several cars that it took twenty-seven days to bring. There are others that it took twenty-two days, and others twenty.

Mr. MARBLE. What percentage of those cars took over ten days?

Mr. STICKNEY. Well, I should think over half of them at least were over ten days.

Mr. MARBLE. And that is too long?

Mr. STICKNEY. Well, that is too long certainly; there can be no question about that.

Mr. MARBLE. Have you examined the answers to your question on the reciprocal demurrage proposition?

Mr. STICKNEY. I glanced at them.

Mr. MARBLE. You have looked at several of them, and I find as I look at them now, that the writers were not content with saying "yes," but they put it in such words as "unequivocally, yes."

Mr. STICKNEY. The grain shippers of this country are unanimously in favor of a reciprocal demurrage law of some kind, and I guess all the shippers are in the same way of thinking.

Mr. MARBLE. Not in the hope that it will be the means of creating an income, but in the hope that it will be the means of getting transportation facilities?

Mr. STICKNEY. Not at all as an income, but with the hope of getting facilities. There are a number of letters there, Mr. Marble, which state that the companies have lost five thousand dollars in the last twelve months and it is not just the bare statement. You will find letters there in connection with the statement, showing that they lost it, and how they lost it, and where the money went.

Mr. MARBLE. Here is a letter received from Mr. Messerole. Mr. Messerole is secretary of the Farmers and Grain Dealers' Association of Iowa, is he not?

Mr. STICKNEY. Yes.

Mr. MARBLE. In reference to these grain dealers, he holds a position corresponding to that held by Mr. Wells to the regular grain dealers?

Mr. STICKNEY. Yes.

Mr. MARBLE. And he is in touch with the conditions at a great many points?

Mr. STICKNEY. Yes; he is.

Mr. MARBLE. He says:

I have your favor of the 13th instant, relative to the condition of car service at our station and others in Iowa. Will say that we are not troubled much about obtaining cars, such as they are. Many of the cars set in for us to load are only fit for the coal service or the scrap pile.

We are located at a junction point and it is therefore competitive. This

would be no bad sample of the conditions in Iowa, which are, and have always been, bad for fifteen years. Heretofore the railroads have told the shippers that they could take care of the grain, except in cases of extraordinary movement. Let us see how they have done so. Iowa had this year just a moderate crop. It is hardly up to the average. From the time its crop of oats was harvested there began a very moderate and steady movement. Weather conditions were ideal for railroads to work, and yet in ten days time from the time the movement began the shippers began to be tied up for want of cars, and this condition has continued up to the present time, with the exception that now that, as the movement is becoming greater, it is growing worse.

An appeal to the commissioners of the State results in the astonishing reply that the railroads are doing the best they can. The railroads themselves make no denial of the fact of the shortage, but say that they are doing their best.

Investigations that I have made, in connection with my duties as secretary of the Farmers and Grain Dealers' Association, disclosed the fact that the railroads discriminate in favor of competitive points constantly. As I have said before, we seldom have any trouble about cars, but that is owing to the fact that we are a competing point, and we have more trouble about our grain being delayed in transit, as all the shippers will tell you.

I am of the opinion that Federal laws in connection with State laws will be the only means of relieving the situation. No one at all posted in these matters will say that the transportation companies are not doing the best they can with the equipment they have to handle the business, but they are simply figuring from their own standpoint with a view to dividends.

This means that it is to their interests to spread this volume of business out during the entire year. I have hundreds of letters to testify to losses running into the thousands of dollars on account of the lack of cars in which to load grain. Last winter I learned of many instances where grain actually burned up in the elevators while waiting for cars to move it. Another very important thing in connection with the car situation is this: Shippers at the same place should be supplied with as nearly as possible the same proportion of cars as they use when there is no shortage. If that is not done you can readily see that the carriers are able to force grain buyers to pool receipts.

Mr. MARBLE. Generally speaking, that is the substance of these letters—that the writers have great difficulty in getting cars, and that if they do get the cars they are not fit for the loading of grain, and that they are not getting good service and have suffered losses, and they are all in favor of reciprocal demurrage?

Mr. STICKNEY. Yes; that is the substance of them. The letters which I sent out are addressed to people who are scattered along the line of every railroad, in nearly every county of the grain belts of Iowa and Illinois, and the replies thereto are representative of the conditions throughout the country.

Mr. MARBLE. Do these shippers at all concur in reporting conditions better at competitive points than at noncompetitive points?

Mr. STICKNEY. Yes; they do.

Mr. MARBLE. Is it your personal observation that conditions at such points are better?

Mr. STICKNEY. Yes; it is.

Mr. MARBLE. Uniformly?

Mr. STICKNEY. Almost.

(The above letter from C. G. Messerole, of Gowrie, Iowa, is received in evidence and marked as an exhibit to Mr. Stickney's testimony.)

Mr. MARBLE. Mr. Stickney draws attention to a letter from the Seneca Grain and Lumber Company, at Seneca, Ill., under date of December 14, which says, in part:

Knowing that the Interstate Commerce Commission is to give a hearing in your city in the near future, and having many grievances and much financial loss because of the shortage of cars, we request you to present our petition, w!

the hope that some means may be devised that will improve the conditions that now exist.

We have grain in our elevator on the Big Four which was brought last September on which there is now a loss of at least 8 cents a bushel, because it could not be moved to market in proper time. Grain in our Stockdale elevator on the Rock Island road, bought in August and September, remained in the elevator for more than two months, because we could not get cars to move it, and caused a great loss. Conditions at each of these two stations have practically put them out of business entirely, as grain can not be bought where there is no assurance of having it moved to market. At Seneca our elevator was filled with grain that was sold to go on the September market in Chicago, but because of car shortage we had to carry it into October at a loss. Insurance had to be carried on all grain in elevators, and that has occasioned some loss. The farmers tributary to our station could not deliver their grain, and were compelled to hold at least 200,000 bushels of corn, which meant a large loss to them, and some of their corn is not delivered yet and can not be till room is made for it in the elevator by shipment. The new corn is about to move North, and we have no prospect of relief in sight. We dread the future.

(The same is hereto annexed and marked as an exhibit to Mr. Stickney's testimony.)

Mr. MARBLE. Are there any other letters to which you wish to direct attention?

Mr. STICKNEY. No; but you might look at the loss which they claim to have sustained. It is only a sample of the entire matter.

Mr. MARBLE. This elevator at Seneca, Ill., claims its loss has not been less than $5,000, for three stations. That is the loss to the company. Asked what the financial gain to the farmers would amount to during the last twelve months if they had not been prevented from marketing their grain, their answer is "Not less than ten thousand dollars."

Commissioner HARLAN. Have you recently been over the territory covered by these letters?

Mr. STICKNEY. Not all of it; but I have some two or three times within the last twelve months.

Commissioner HARLAN. In the last three months have you been over any portion of this territory?

Mr. STICKNEY. Yes; probably half of it, or perhaps two-thirds. We are in daily communication with practically two hundred shippers in Illinois and in Iowa. I myself am in daily communication with them.

Commissioner HARLAN. Of course, then, you have an opportunity to observe some of these conditions?

Mr. STICKNEY. Yes; we know the conditions at practically every station.

Commissioner HARLAN. And you say that these letters fairly represent the conditions at the respective stations from which they come?

Mr. STICKNEY. Yes; I consider that they do; and I can say that the companies and the men who have signed these statements and have written these letters are personally known to me. I am personally acquainted with them, and I consider them very reliable, and I consider them to be men who are wholly responsible business men. Those are the authors of these letters which are attached to very nearly every one of these statements. The letters are really directed to the Commission. Of course they were written to our firm, but with the understanding that they were to be delivered to the Commission. They did not direct them to the Commission, but they knew

that you were to be here, and the letters were written really to you, and should have been addressed to you instead of to the firm. There is a letter attached to practically every statement that was sent in, and some of them are very interesting indeed.

I will say further that you can go down there in Illinois to any station to-day, and there is hardly a section where the cars are obtained at all, but what the grain men are buying the cars as they come along, and paying money for them in order to get the cars.

Commissioner HARLAN. Does that mean that the farmer or the elevator man pays the agent something for the cars?

Mr. STICKNEY. No; he pays the brakeman or the conductor. One of the largest grain shippers in Illinois was in our office yesterday, and he made the remark that he had practically exhausted the turkey supply of eastern Illinois by buying those birds and presenting them to traveling freight agents and conductors and brakemen, and such as that. I asked him why he did not pay them money, and stop this buying of turkeys, and he said that he knew it was better to give a turkey to each one of them—that it was better to do that than to give them money. He mentioned one of his stations up above there, and he said that week before last he told them that he would give them $1 a car, and he said that last week. The next week he raised it to $2, and was receiving quite a number of cars.

Mr. MARBLE. Paying the money to the railroad employees?

Mr. STICKNEY. Yes; paying the money to the railroad employees, and the practice is general all over the State of Illinois. I can name you fifty grain dealers that have paid this money, and are paying it, if they can get cars, practically every day. When this came up here before I mentioned to several of them to come up here and testify in regard to it, but they are very backward about mentioning it or giving their names, or having their names mentioned in connection with it, but it is a general practice just the same.

Mr. MARBLE. I will offer this table prepared by Mr. Stickney. Does this show all the shipments of grain from Iowa in January, 1906, to your firm?

Mr. STICKNEY. That is, every car; yes.

Mr. MARBLE. Is that selected at all?

Mr. STICKNEY. Not at all, but it happened to be for that month, because it was in February that we presented this bill to the legislature in Des Moines, and the statement was prepared for that month because that was the month before—January. I have not made out any new one; this is the one that was made out then.

Mr. MARBLE. I will offer this without stopping to read it. It shows, as stated by Mr. Stickney, the station from which the car was shipped, the date it was received, and the number of days it was in transit.

(Same is received in evidence and marked as an exhibit to Mr. Stickney's testimony.)

Commissioner LANE. Put in all of those letters as exhibits.

Mr. MARBLE. Yes; I will do that. There are many details contained in these letters which should be read.

Mr. STICKNEY. They are all along the same lines. Some of them describe conditions as being a little different. For instance, there is a statement from Palmer, Iowa, which we received yesterday. The gentleman claims that it is a common practice in Iowa to discrim-

inate in favor of certain stations. He says that at Palmer, Iowa, there are two elevators, one of them owned by the farmers, and just below there is a small town with an elevator, and the elevator at that town is owned by a line company. He says they are able to get all the cars at that town practically that they want, and that consequently the grain is going away from Palmer and that vicinity to the other elevator every day. They are unable to get any at Palmer. At this town, in which there is only one elevator owned by a line company, they are able to get all the cars they desire.

Commissioner HARLAN. Do any of those letters refer to any practice in Iowa, such as you have mentioned?

Mr. STICKNEY. Of that kind?

Commissioner HARLAN. No; of paying for cars?

Mr. STICKNEY. No.

Commissioner HARLAN. Or in Illinois?

Mr. STICKNEY. No; the man that pays that will not mention it in any letter. He is not telling it to the general run of people.

Mr. MARBLE. For the very evident reason that he would make himself so unpopular with the people from whom he gets the cars that he would not get any at all.

Mr. STICKNEY. Yes; he would be cut off entirely if he did that. He would not be able to get any cars if he gave this matter away, and told what conductor he paid the money to. He would be shut off entirely.

Mr. MARBLE. Now, it is not at all supposed, Mr. Stickney, that this form of extortion goes into the general offices of the railroad companies, or is any part of the railroad policy?

Mr. STICKNEY. Oh, I don't think so.

Mr. MARBLE. That is not even suspected, is it?

Mr. STICKNEY. No; not at all.

Commissioner HARLAN. I understood that to be Mr. Stickney's meaning.

Mr. STICKNEY. Of course, if you take this matter up with the general offices, they will make a great big bluff, as they always do, and want to know the name of the conductor and say that they are going to fire him, and all that; but they know that the practice is going on just the same. Not that they believe in it, or have upheld it in any way, shape, or manner, but simply that they can not prevent it. They can not get rid of it, and that is all there is to it.

Mr. MARBLE. I will offer these letters for the subsequent examination of the Commission for what they show. I have nothing more to ask, unless there is something that you wish to say in addition.

Mr. STICKNEY. No; I guess there is nothing more with which to take up the time of the Commission. I simply want to emphasize, though, before I leave the stand, that the shipping public (as the Commissioners, of course, know) are in favor of some measure that will compel the railroad companies to furnish them with a fair and reasonable amount of equipment. I believe that the only thing that will bring that about (and so do these shippers believe) is a measure which will penalize the railroad company for failure to furnish this equipment within a reasonable length of time after it is ordered; that that is the only thing that will bring the desired result. That seems to be their contention.

Commissioner HARLAN. Well, you heard what Mr. Kruttschnitt said this afternoon?

Mr. STICKNEY. I do not think I did. I did hear part of it, but he spoke very low, and I could not catch all that he said.

Commissioner HARLAN. Well, he made the argument that it would be unfair to impose a demurrage upon the railroads if they were compelled to let the cars go off their own tracks, because they might deplete their own supply of cars on account of not being able to get the cars back. That, in that way, they would exhaust their own supply of cars, and so it would practically penalize them for furnishing facilities for distant business—through business.

Mr. STICKNEY. I think—and I believe that you will agree with me—that when they are penalized for this they will look out for it themselves. They will see that the freight trains are moved and that the cars are handled promptly. If there is any occasion for it, they will see that there is no congestion, and I believe that they are able to do it and will do it.

Commissioner HARLAN. Well, suppose that a railroad in Galveston takes freight for Boston and it goes off the line of the railroad at Fort Worth or St. Louis and goes to other railroads and they keep the car up in New England. That is done to such an extent that the number of cars they have down in Texas becomes very seriously reduced. Should they have enough cars in Texas to supply the demand of the New England people, who don't provide themselves with a sufficiency of cars?

Mr. STICKNEY. No; I don't think so; but I am of the idea that your investigation will develop the fact that nearly all the Western roads have enough foreign cars to amount to a number equal to the number of their own which is upon foreign rails—that is, if it proceeds that far. I think you will find that it averages up pretty well.

Commissioner HARLAN. Some of them have more than that number.

Mr. STICKNEY. Yes; I suppose that is true of some of the lines, but the average will be about as I say.

Commissioner HARLAN. I do not think we have found any road yet that has now any more cars than——

Mr. STICKNEY. Well, yes; the Illinois Central. I judge of the Illinois Central from their testimony here this afternoon.

Commissioner HARLAN. The Pennsylvania Railroad claims that about two-thirds of its cars are off its lines, and they claim, too, that these Western roads are very wicked people, and take everthing that they can get hold of.

Mr. STICKNEY. I think they will fix up some such system as one of the gentlemen testified to this afternoon, when he mentioned some sort of a clearing house, or some arrangement by which the cars of all roads will be fairly and equitably distributed. I think they will be hurried along to that very much if they are penalized to a certain extent. I do not mean to suggest anything unfair or unjust.

(The witness was excused.)

J. E. DEFEBAUGH, called as a witness and being duly sworn, was examined and testified as follows:

Mr. MARBLE. You reside in the city of Chicago?

Mr. DEFEBAUGH. Yes, sir.

Mr. MARBLE. And you are editor of the American Lumberman?

Mr. DEFEBAUGH. Yes, sir.

Mr. MARBLE. That is a trade paper published for the benefit of the lumber interests of the entire United States, is it not?

Mr. DEFEBAUGH. Yes, sir.

Mr. MARBLE. Your subscribers number several thousand manufacturers of lumber and dealers in lumber?

Mr. DEFEBAUGH. Yes, sir.

Mr. MARBLE. Have you recently been making an investigation into shipping conditions as the lumbermen find them?

Mr. DEFEBAUGH. Yes, sir.

Mr. MARBLE. By personal interviews?

Mr. DEFEBAUGH. Yes, sir.

Mr. MARBLE. And also by correspondence?

Mr. DEFEBAUGH. Yes, sir.

Mr. MARBLE. And you have some of that correspondence with you?

Mr. DEFEBAUGH. Yes, sir.

Mr. MARBLE. First, I will ask you to state generally what the shipping conditions are, so far as the furnishing of transportation facilities to lumber manufacturers is concerned?

Mr. DEFEBAUGH. Well, they are very much harassed because of their inability to secure cars, from the Atlantic to the Pacific.

Mr. MARBLE. The conditions are about the same in all sections?

Mr. DEFEBAUGH. Yes, sir; from Maine to Florida, Florida to Texas, and all along the Pacific coast.

Mr. MARBLE. Have you any special point to direct attention to in reference to that matter?

Mr. DEFEBAUGH. I was invited to come here this morning, and hence last evening I dictated a brief statement, predicated on about 250 letters and 200 telegrams, which I have received, all within ten days, bearing on this subject, and I selected a few of those letters—important extracts from them—bearing on the situation, which I have copied off and assorted.

Mr. MARBLE. This statement, then, would be a summing up of all that correspondence?

Mr. DEFEBAUGH. That would cover it generally.

Commissioner LANE. Well, read the statement.

Mr. DEFEBAUGH. I will have to be somewhat personal in the manner in which I give it, because it is, in a measure, connected with the reciprocal demurrage proposition chiefly, in which I am very much interested. The statement is as follows:

My time has been very limited since invited by the representatives of the Commission to appear here to-day, to testify of my own knowledge and on information which has come into my possession regarding the car shortage and matters pertaining thereto. As editor of the American Lumberman, I am closely in touch with the lumber business and intimately acquainted with many engaged in it in all parts of the country. I have had many complaints this year, and especially during the last three months, of inability to move lumber, and I recently consulted a number of lumbermen as to whether anything could be done at this time to focus sentiment looking toward legislation which might, in the future at least, remedy existing evils.

After this conference I sent telegrams to 150 lumbermen representing the manufacturing, wholesaling, and retailing departments of the

business, referring to the recurrent car shortage, increasing in severity year by year until it threatens the prosperity of the country. I also referred to the fact that in this matter the customers of the railroads have inadequate remedy for inconvenience and damage; that a national demurrage law which should impose penalties upon the railroads as well as their customers for unreasonable delay in handling cars gave promise of being an equitable means of relief, and suggesting a national conference, to be called for the first week of January, and asking for wire responses, giving the opinions of the recipients of the inquiry. By noon of the following day I had heard from over 100 of the leading representatives of the lumber trade, situated in thirty States, nearly all of whom were in favor of such a convention.

Consequently, under date of December 13, I issued a call, as an unofficial representative of the lumber trade, which call was addressed "to carload shippers under commodity rates and to receivers of freight so shipped, and especially to associations whose members are of these classes," asking them to meet in a "national reciprocal car demurrage convention" in Chicago on Friday, January 4, 1907, to discuss the present car-service situation, its causes and remedies, and, if its members should so decide, to devise and arrange for presentation to Congress an amendment to the interstate-commerce law, which should provide for just and reasonable reciprocal demurrage. A copy of the call is attached hereto. At the same time I invited comments from the trade, and brought the matter to the attention of coal, grain, and other important shipping interests.

Since that time I have received hundreds of messages and letters on this subject; many of them are mere indorsements of the general proposition, many give statements as to the situation in various sections in general terms, while others go into detail, and some suggest various phases of the matter that should be considered in arriving at a solution of the serious problem that confronts us. Some of these letters I have had copied in order to show the seriousness of the present situation, the support that has already been given this movement, and the various phases pointed out.

Every customer of the railroads, whether he be a shipper or receiver of freight, in large amounts or small, is entitled to consideration, but the lumber industry is an especial sufferer as a result of present conditions. That the lumber industry produces in itself a problem of magnitude is shown by the estimate that the product of 1905, on a conservative basis, required for its movement approximately 2,330,000 cars. Practically the entire output of the sawmills of the United States is loaded on cars for shipment in one stage or other of its progress from mill to consumer, the cases in which the movement is entirely by water or directly from mill to consumer by wagon probably being compensated for by the double use of cars when a water route intervenes between two rail routes, as is often the case on the great lakes and sometimes on the principal rivers of the country.

Estimating the average rate at 20 cents a hundred pounds and the average weight of lumber at 2,500 pounds to the thousand feet, the railroads have a revenue from this traffic of $174,975,000—a little less than they derive from the transportation of corn, but more than double their earnings from any other product of the soil. Lumber is an important commodity not only in respect to its volume, as esti-

mated by weight, but from the fact that it is a raw material in practically every industry. If it is not used in construction it is used in crating and packing. It employs a capital of over $700,000,000 and employs about 450,000 men in various capacities, with probably as many more concerned in industries which may be considered branches or are directly dependent upon the lumber industry.

This great business is peculiarly situated in respect to the transportation systems of the country. The greater portion of the traffic which it furnishes is interstate. It originates largely at isolated local points with a distribution, in the main, not to centers of trade, but almost directly to consumers, whether located in the great cities, in the small cities and country towns, or on the farms. It is a commodity which the railroads consider "dead freight," and is not considered subject to damage by delay in transit, although, as a matter of fact, the loss occasioned to the lumber trade by inadequate car service, causing deterioration of the value of lumber awaiting shipment or in transit, reaches into the millions of dollars. But, looking at this commodity as they do, the railroads give preference to perishable commodities—in many cases rightly enough—and in the second place to commodities like grain and cotton, which have definite seasons for their movement; although lumbermen claim that it would, in the long run, be better for the railroads, for grain men, and for cotton growers, if the marketing of those great products of the soil were forced to be distributed over a greater period of time and thus interfere less with an all the year round business like lumber.

Lumbermen have become accustomed in the north to a car shortage during the grain shipping season and in the south during the season for marketing cotton. This shortage recurs annually, but it has become more acute of recent years until now all through the year lumber has suffered from the inability or unwillingness of the railroads to move it promptly, while during the last few months the situation has amounted to a partial embargo, with some sections almost absolutely precluded from doing business. The most acute difficulty is in the far west, but the southern situation is almost as bad.

I am not exaggerating when I say that there are hundreds of substantial concerns of fair financial strength that are, if the present condition continues, in danger of bankruptcy. Many of them, besides their heavy cash investments, have purchased timber on which they have to make regular payments. Their operating expenses are large, and, with their income cut in two, it is only by the grace of their creditors and the generous assistance of the banks that they are able to continue, and there is a limit to such grace and to such assistance.

Let me say further in this connection, as is pointed out in some of the letters I lay before you, that it is well-nigh impossible to shut down a sawmill entirely or to curtail the product to a sufficient extent to compensate for such a shortage of shipping ability as now exists. Most mills are located away from the centers of population; they are built in the woods, so to speak, and around them are built towns composed of people whose livelihood is derived almost exclusively from them. It is not an easy matter to collect a satisfactory mill crew in such situations, and to shut down the mills means a scattering of the crew and the demoralization of the business for a considerable period, to say nothing of the hardship imposed upon the operatives.

But the lack of cars in which to make shipments is only the beginning of trouble. Mills located at or near large terminal points do not all suffer severely from this cause, but all are sufferers from the ridiculously slow movement of lumber, which seems to be sidetracked for every other class of freight. I have not had time to compile in tabular form the reports I have received, but the cases are innumerable where lumber shipments are ten times as long in transit as would be the case under reasonably steady movement. Some cases are extreme, where cars require months to move 100 or 200 miles; but from all that I can learn the average movement of lumber-laden cars will not exceed, at the present rate, 20 miles a day, and to this are added the long delays in waiting for cars.

I have spoken so far from the shipper's standpoint, but the situation with the receiver is as serious. Retail dealers in lumber incur penalties for nonfulfillment of contracts, consumers' operations are delayed, and factories are shut down because of the nonreceipt of lumber ordered in time ample under ordinary fall and winter conditions. The situation from the standpoint of the consignee is appalling.

From the evidence in hand it seems that it would be fairly correct to say there is no car shortage. There is a woeful scarcity of available empties, but it is coming to be the belief of the shipping public that the difficulty lies farther back than the mere matter of number of cars. The difficulty seems to lie in the misuse of cars by the railroads themselves.

From all the evidence that has come to hand during the past year, including the small amounts collected for demurrage by the railroads, I conclude that the detention of cars by lumber shippers or receivers is so small as to be a negligible quantity, and that the same is true in most other lines of trade. There is evidence, however, that in some industries, particularly those which have close affiliation with the railroads, cars are, by the consent and with the connivance of the railroads, used for storage to a serious extent; but, after all, the chief difficulty seems to be in the movement of cars from point of origin to destination. I believe your honorable body has reported that the average movement of cars is less than 20 miles a day. I assume that that includes empties as well as loaded cars, and detentions for loading and unloading. Assuming that one-half the time is devoted to loading and unloading, then the movement of loaded cars would be less than 40 miles a day, whereas under any reasonable system of transportation the movement should be from 150 to 250 miles a day. A doubling of the average daily mileage per day per car would be equivalent to the doubling of the car equipment.

The business community is placing the fault with the railroad companies because, first, of lack of motive power; and, second, because of inadequate passing tracks and terminals. Accompanying this and a cause for it is a breakdown of management. Many of the communications lay the cause to the ton-mile theory, which, while it has tended to economy in one direction—in the actual cost of moving traffic—has resulted in loss in other directions, but chiefly in a lessened fluidity of movement, so that the time required to move traffic is two or three times as long as it was formerly. This, some of my correspondents believe, is due to the growing influence of the financial departments

of the railroads in their management at the sacrifice of the operating influence—that is to say, railroad men, as such, are dwarfed in comparison with the financial aspects of the railroad problem.

One of my correspondents strongly arraigns the railroads for lack of ordinary foresight. The railroads are inclined to consider the present volume of business offered them as extraordinary. It is undoubtedly larger than ever before, but it should not be considered extraordinary, but only what was to be expected as the result of years of growth of population, of business enterprise, and of development of the country. Railroad management has failed to keep pace with the management of private enterprises. The industries had faith in the country and enlarged their producing capacity. The railroads showed less faith and foresight and failed to provide facilities to move the business which the industries were preparing to furnish them.

Another phase which bears directly upon the province of the Interstate Commerce Commission is a growing disposition of the railroads, especially those well equipped with rolling stock, not to permit their cars to go off their own lines. This seems to be due to unequal equipment and lack of adequate provision for return of cars. In this direction it is suggested that penalties for detention of cars should be much larger than they are, and perhaps should equal or exceed the earning power of cars. There are many delicate questions involved in this matter; but the wisdom of the railroads and of the Interstate Commerce Commission should be sufficient to solve them. The car-service charges, as between the roads, should be greatly raised or provision should be made by which cars should be returned as fast as cars are received in the exchange between the roads. This same principle might be applied to reciprocal demurrage, if such a measure should become law by act of Congress or by ruling of your honorable body. The suggestions to this end are various. Some insist that after a demurrage period of $1 a day per car the charge might be raised as high as $5 a day per car, which would exceed the earning capacity of the car in almost any kind of traffic. Apply this to the railroads and to their customers alike and there would be an incentive to the most rapid movement possible of equipment of all kinds for the convenience of general transportation.

Further than the above, I refer you to the letters which I have received, some of which I may read, and copies of which I may leave with you as part of the record in this hearing.

Mr. MARBLE. And this [referring to another paper] is a call for a National Reciprocal Demurrage Convention that you issued?

Mr. DEFEBAUGH. Yes; I have issued a call for that and used the names of 250 lumbermen in reference to that matter.

Commissioner LANE. For what date?

Mr. DEFEBAUGH. January 4, next.

Commissioner LANE. Where?

Mr. DEFEBAUGH. Chicago.

Mr. MARBLE. The call provides for the consideration of the proposition that, inasmuch as shippers and receivers pay demurrage, failure by a railroad company to place cars for loading within a reasonable fixed time should subject such railroad to a like charge or penalty, and also that in case of failure to deliver a car at desti-

nation within a reasonable time the railroad collecting the freight charge shall pay the consignee such an amount per day of delay as the Interstate Commerce Commission shall deem just.

Mr. DEFEBAUGH. There is no desire at all on the part of anyone interested in this proceeding, or in this proposed meeting, to do anything extreme, but the object is to take such other action, or recommend such other measures, as the members of the Commission shall, in their assembled wisdom, deem equitable and wise.

Mr. MARBLE. And you do not feel committed to the reciprocal demurrage proposition?

Mr. DEFEBAUGH. Not 5 per cent of the people I have heard from are opposed to it, while 95 per cent are strongly in favor of it.

Mr. MARBLE. Does that include men of large business interests?

Mr. DEFEBAUGH. That includes 250 answers, and two-thirds of them are associations representing anywhere from 50 to 2,000 members, in addition to the individual letters, and hence it represents the sentiment of perhaps 25,000 or 30,000 lumber firms in the United States, both large and small.

Commissioner HARLAN. Do you think that such a measure of itself would be sufficient? I have in mind such a case as this: Suppose you are near the border line of a State, or suppose you were near a terminus of a road, and you wished to send a carload of lumber beyond the terminus of that road to some distant point on the line of another road. Now, as I understand it, under the principle of reciprocal demurrage it would put a penalty on the initial carrier, would it not?

Mr. DEFEBAUGH. Yes; but they have joint arrangements for interstate traffic.

Commissioner HARLAN. It would put a penalty on the initial carrier. Say that you demand a car for a shipment of a load of lumber, and under the penalty of such a law the initial carrier would have to furnish that car. It would have to send it off its own rails onto the rails of the connecting carrier. Now, those shipments might go on until the reasonable supply of cars owned by the initial carriers were on the lines of other carriers, beyond its control. In other words, they would be where the initial carrier could not get physical possession of them. Now, would it suffice to have a law providing for reciprocal demurrage without providing also for the return of the cars by the connecting carrier under like penalty?

Mr. DEFEBAUGH. There would have to be a mutual plan.

Commissioner HARLAN. I understand that the Supreme Court has decided, as a principle of law—as a principle of the law of carriers—that a carrier need not have its cars go off its own line. It is the carrier's right to stop those cars at its terminus. Now, then, suppose the initial carrier furnishes you with a car to its terminus. What are you going to do with the connecting carrier if it fails to furnish a car promptly for the transfer?

Mr. DEFEBAUGH. The result of any such agitation or legislation would be that the roads not properly equipped now would not be dependent on the Illinois Central and other roads that are properly equipped. They would be obliged to equip their lines, and a mutual traffic and interchange would naturally follow. They would be perfectly willing to have their cars go off their lines if they could get other cars from the other lines in return.

Commissioner HARLAN. But don't you require more than reciprocal demurrage in order to accomplish the practical result you have in mind?

Mr. DEFEBAUGH. I think the clearing-house idea is involved of necessity. If it is employed on the Union Pacific and Southern Pacific lines, and all those related lines, it would have to be in a measure a mutual arrangement in national transportation.

A great many roads are placing an embargo on cars going off their lines. Cars are coming into Chicago to-day which have been transferred at the gateways, and by neglect or carelessness or otherwise they are losing a great deal of time here because in making the transfer they have failed to put the original car number on the various documents involved in a shipment, and they must have a great deal of correspondence and a great deal of difficulty until they adequately determine who the owner of the car is, and whence it came. Several shippers have complained about that. It is a common thing when the transfer is made, and it is making a tremendous amount of trouble and loss to the roads themselves, because they can not quickly handle it when they themselves are holding cars. That will have to adjust itself with the necessary equipment.

No reciprocal demurrage law could go into effect under twelve months, or some such time, and I figure that such a length of time is absolutely necessary for the roads to have ample opportunity to equip themselves for such a thing, and hence it could not be made to work a hardship, because it would not become effective possibly before that time.

Commissioner HARLAN. No; but it strikes me that it is a very large proposition, and one involving a great deal more than is involved in reciprocal demurrage alone. It seems to me that it has many other features that would have to be covered by legislation before it could be made effective.

Mr. DEFEBAUGH. That question is being thought about a great deal. It is on for discussion now, and is being discussed throughout the United States.

Commissioner HARLAN. Well, I think that is all.

Mr. MARBLE. I have placed those letters here, if you require them.

Commissioner HARLAN. Thank you; we will take those letters and examine them.

Mr. MARBLE. It consists of a mass of copies of correspondence upon which the statement read by the witness was based, and will be considered later.

SIDNEY P. HOSTLER, called and sworn as a witness, testified as follows:

Mr. MARBLE. What is your business?

Mr. HOSTLER. Wholesale coal dealer.

Mr. MARBLE. And your residence?

Mr. HOSTLER. Chicago.

Mr. MARBLE. You receive coal from what mines, as to locality?

Mr. HOSTLER. Well, I received during November coal from 6 different States, 22 mining districts, and 32 grades of coal.

Mr. MARBLE. You sold coal in how many States?

Mr. HOSTLER. Eight States.

Mr. MARBLE. Your average business per month or per year is about what?

Mr. HOSTLER. Well, I could not state that as I have not the figures before me, but last month we had 518 cars. That is, we actually sold that number, but we did not get them in.

Mr. MARBLE. You have had a great deal of trouble in getting cars?

Mr. HOSTLER. Yes, sir.

Mr. MARBLE. Have you dealt with mines that were closed down in whole or in part for lack of cars?

Mr. HOSTLER. Yes, sir.

Mr. MARBLE. Have you suffered from slowness of movement in handling cars?

Mr. HOSTLER. Yes, sir.

Commissioner LANE. Where were these mines that were closed down for lack of cars?

Mr. HOSTLER. I might mention that we are the sole western agents of the Winnifred Coal Company. Under the laws of West Virginia cars must be distributed pro rata equitably. One mine gets its proportion one day for the day's run, and another mine the next day.

The proprietors keep a man employed and pay him, and he has got an office with the car distributer to see that the cars are distributed equitably, and so when I give you the statistics of this particular mine you know that it applies to every other mine in this district and in that State.

They are located on the C. & O. road. Now, we had a great deal of coal purchased from other mines in that territory on that same road, and also on parallel roads on the opposite side of the river. The K. & M. road is on one side of the river and the Chesapeake and Ohio is on the other. As to the Winnifred mines, they have not taken any orders since the 1st of September. The 1st of November they were behind in their shipments 1,014 cars. They were behind in the production 48,000 tons, or 1,200 cars of 40 tons each. During this time, from the 1st of September to December 1, they shipped in any kind of a car they could get—box cars, hopper bottom, twin drop, and stock cars, and flat-bottom gondolas. Previous to that they shipped in nothing but box cars, because our trade on that grade of coal is singular and consists of an individual carload for each customer, scattered all over the northwest. We can ship it even with the differential freight rates against us at Chicago. We can ship it to almost every town in South Dakota, northern Iowa, southern Minnesota, and as far west as Lincoln, Nebr.

When the shortage came the Chesapeake and Ohio prohibited the loading of box cars with coal. During the months of September, October, and November they shipped me five cars less, all told, than they shipped me during the month of July last. See what a shortage that was on my contract. I have been unable to take care of my customers for sometime. During the month of November they did not ship me a single flat-bottom car.

Commissioner LANE. Did you have any contract with the mine?

Mr. HOSTLER. We had a regular annual contract. We are the exclusive agents, and a certain stated tonnage is to be handled each month.

Commissioner LANE. How much did you agree to take?

Mr. HOSTLER. We agreed to take 2,500 tons per month. They agreed to give me as much additional as they could get cars to load in. During the month of July they gave me 600 tons above my contract. The 1st of August they fell down for want of cars. The 1st of September they could not take any orders.

Commissioner LANE. Where are the mines that are closed down?

Mr. HOSTLER. Of course, they have not all been closed down, except at times waiting for their percentage of cars. During the month of September I spent ten days down there visiting the different mines along the Chesapeake and Ohio and along on the Kanawha and Michigan, and also on the Norfolk and Western. I was down there two weeks in November trying to get coal forwarded; to get the other mines to ship coal. Some of them have not shipped me a single car, and I have got a stack of correspondence stating that the reason is lack of cars.

Commissioner LANE. Correspondence with the mines?

Mr. HOSTLER. With the mines; yes, sir.

Commissioner LANE. Not with the railroad companies?

Mr. HOSTLER. It is lack of cars at the mine. Now, these very mines—you see the mines are located on the main line of the Chesapeake and Ohio and are also located on the river. Those mines can load by both rail and water. When they have not got railroad cars they load coal into their own cars and dump it into their own barges. These other mines located up on the branches where they don't have access to the river, they don't run over two days a week, and the miners leave them and go down and work for the river mines, because they have more steady work.

The Winifred Coal Company's annual production is 240,000 tons, and if they had any assurance of getting cars they would increase it to 300,000 tons. There is lots of demand for that coal here, and orders we could take every year, but we can not get the cars and can not take them. I had the annual contract for twelve consecutive years with the Pullman Company for that coal. They have to get coal from other mines now, because we need the coal for our domestic trade.

I have got cars shipped in one case that have been out since October 25 between Cincinnati and here. We have located them down here at Sheff, Ind. I have got one of those files of correspondence showing our efforts to trace it, and I have got other cars. I compiled a statement this afternoon, taking the shipments of three different mines. The average distance from the Kanawha district to Chicago is 530 miles. Here is one mine where they shipped us 13 cars and the average time in transit was eleven days, just a little fraction under eleven days. The shortest or quickest time was eight days, and the longest time was sixteen days. That was an average of 48 miles per day. In former years we used to get the coal here in four days, but now since they have doubled the capacity of the cars they have more than doubled the running time. They claim it is not economical to run coal trains fast, and they just lug those cars along just as slow as they can, just to keep them moving.

Now, notice the difference. Here is another mine with practically 10 miles shorter haul, 10 miles nearer to Chicago, and it shipped me 23 cars, and the average running time was twelve days. The fastest

time was six days and the slowest twenty-six days. Now, take another matter; on the opposite side of the river, right opposite this first mine, and on another road—just on the opposite side of the river—they had to come via a different road, and they shipped me 22 cars practically the same day, and the average running time was ten days. The quickest time was seven days and the longest time was sixteen days. That was an average of 53 miles per day. That second statement was an average of 44 and the first 48.

Commissioner LANE. When you ship coal from here out to Iowa and Nebraska points, what sort of time do they make with that?

Mr. HOSTLER. Once we get it on the western lines, and get it started, they make pretty good time. They run it clear to the Mississippi River before it is ever stopped. I intended—I understood that this hearing was to be held on January 20, and I intended to compile a list of cars, which I will do soon after the first of the year, showing the time they arrive in Chicago, the date I reconsign them to the outbound road, and the amount of time over the road. I will look up the time from the railroads showing that.

Commissioner LANE. What do you think of the reconsignment privilege?

Mr. HOSTLER. It is necessary on long hauls for the simple reason——

Commissioner LANE. It is abused, is it not?

Mr. HOSTLER. No; not particularly so. Once in a while we have paid demurrage when a slump comes on coal. This privilege comes to be necessary for the simple reason that we can not get cars at the mines at the proper time so that they can fill their orders. Just to show you how this reconsignment acts I would like to say that we had a customer here at South Chicago, and he was located on the Rock Island Road. He ordered a car of this West Virginia coal of a size that we did not handle here—large egg. He used it for a special purpose.

We shipped him a car direct from the mines, and the car was in transit sixty days. In the meantime he ran out of coal, and got a car of coal off the Baltimore and Ohio. When this car got in here he refused it, as he had no room for it. The car came over the Big Four and the Illinois Central Road, and that was switched over to the Rock Island. The Rock Island charged him for doing that—they charged him $18 demurrage, and as the car had gone over to the Rock Island without collecting freight charges from the consignee the consignee was not out anything but the eastern line was out their freight charges. The eastern line says to us: "If you will take that car and dispose of it, we will cut the demurrage off for you." So we had to dispose of that car on the Rock Island system in order to avoid switching charges which would eat up the value of the coal. We sold it out on the Rock Island system, and it took the local rate from Chicago. The agent there at South Chicago—the agent of the Rock Island—added on $18. When the switching bill came back we filed a claim for the refund of the $18. We had sold the car of coal at a loss of about $18. The Big Four says: "We did not collect any demurrage, and we can not refund anything." Mr. Sanford says: "I can not authorize the Rock Island to refund that, because there

was no delay on the Rock Island. The Illinois Central had it, and they delivered it to the Rock Island the next day." We have never been able to get Sanford to authorize the refund of that $18, because he says the Rock Island is entitled to it, and the Big Four says: "We did not collect any demurrage."

Commissioner LANE. Mr. Daley says you ought to sue them.

Mr. HOSTLER. Yes; we commenced suit in a justice court. They never allow them to get into a court of record. You mentioned about this 40 cents a ton. I will cite a case showing how it acts. They don't charge that reconsigning charge now, but they are going to adopt a reconsigning charge after the first of the year. We had a car of soft coal coming over the Michigan Central. Right on the opposite side of the crossing at One hundred and sixteenth street is a coal yard located on the Illinois Central right of way. We had a car of coal come in on the Illinois Central, and we sold it to this dealer, and the Illinois Central rendered a switching bill for $16 for switching that car less than 300 feet. The customer paid it and charged it back to us. We filed a claim before the State board here of excessive switching charge. They came into court and they said it was interstate business; not only that, but they cut me off because I was president of a mining company that was further down on their line. They got after me on that, and I had to withdraw my complaint before the State board. They got after the dealer down there because he had no lease; he wanted his lease renewed for the coming year, and the dealer rushed to me very quickly with a refund of the $16. There they had us.

Some twenty years ago I had charge of all the switching done in the Illinois Central yard. At that time the rule was $2 per car, under 14 miles. When the St. Paul built this division along Bloomingdale road there were two or three industries located upon that road, and they made a switching charge over there of $5 per car. The Northwestern retaliated and made a switching charge of $2.50 per car. The Pan Handle at that time would never switch for other roads. Now they have got it so that they accept switching from other roads, but put the charge so high as to make it prohibitory.

Commissioner LANE. Is that the customary charge—40 cents?

Mr. HOSTLER. It is now.

Commissioner LANE. How long has it been such?

Mr. HOSTLER. A little over a year ago, but the State commission adopted a rule that under 3 miles it should be not to exceed $3, and then they made another charge. They had a hearing day before yesterday before the State commission.

Commissioner LANE. Has anybody complained of that switching charge upon soft coal?

Mr. HOSTLER. They have not as yet, and the reason is that the man who has his yard located on the Illinois Central right of way he knows enough now not to buy coal on other roads. He won't buy any coming in over the Michigan Central. I might have coal on the Michigan Central, but I can not send it over to this fellow's yard without losing a great deal more. Do you see how it works?

Now, here I got a letter that I sent to the editor of the Black Diamond, as follows:

HOSTLER COAL AND COKE COMPANY,
Chicago, December 20, 1906.

E. S. KETCHUM.
Editor Black Diamond, Chicago, Ill.

DEAR SIR: Your favor of December 17th at hand and noted. We need National and State reciprocal demurrage laws. When the railroad companies are required to give coal the attention that its importance as a commodity demands, our transportation troubles in the coal trade, if not entirely eradicated, will be reduced to a minimum. The wholesaler and shipper wants, and the retailer needs—

First. Free interchange of cars between railroads; no restrictions on car equipment. The railroads can double and treble their per diem charge against each other, which will insure prompt return of cars.

Second. Cars furnished mines inside of forty-eight hours after order for same is placed; also kind of cars. When box cars are wanted, we don't want steel hopper, tide-water cars furnished; penalty, $1 per car per day for any failure or delay in furnishing cars.

Third. Cars moved promptly inside of twenty-four hours after loaded; penalty, $1 per car per day.

Fourth. Cars kept moving toward destination not less than 100 miles each twenty-four hours; penalty, $1 per car per day.

When the above becomes a law and the rule and practice of every railway company, then, and not until then, will we have no trouble regarding car shortages or delays in shipments. It will do away with 95 per cent of the car demurrage charged on shipments, for we will then know exactly when to order coal forward to take care of our trade and it will do away with 75 per cent of the reconsignment of coal in transit, as we can have coal shipped direct from mines to dealer with the positive assurance that cars will be shipped promptly from mines after order is placed with us, and we can assure dealer that cars will reach him in so many days after coal is shipped.

We trust the Black Diamond will push this movement along and do everything possible to make the National Shippers' Convention, to be held in Chicago January 4, a success. To this end we are willing to do our part.

Yours, truly,

S. P. HOSTLER, *President.*

I noticed the cars down there at the mines on the sidings that had stood there three days after being loaded at the mines.

Mr. McKenna, of the St. Paul, testified that cars move 100 miles in twelve hours. Mr. Willard, of the Chicago, Burlington and Quincy, testified from twelve to fourteen hours per 100 miles, and one of the gentlemen testified here to-day that twelve hours on a terminal was average delay. Ninety per cent of our Illinois and Indiana coal we ship direct from the mines to destination in order to take the through freight rates and give the dealer the benefit of the delivery price. To-day we have about 50 unfilled orders in Iowa and Minnesota that run as far back as October 29.

Commissioner LANE. How many days do you need to decide where you will consign it to?

Mr. HOSTLER. They allow us five days.

Commissioner LANE. Suppose it were cut down to two?

Mr. HOSTLER. Mr. Sanford took that matter up with me some months ago, when we had seven days—over a year ago. While seven days is too long on Indiana and Illinois coal, because we can get our coal in from the mine in three or four days, still it takes from eight to sixteen days to get the West Virginia coal, and consequently five days is not too long.

Commissioner LANE. It is too long to have the terminals clogged up with cars?

Mr. HOSTLER. We do not hold them. We have not held a car since September 1, except two cars of smithing coal, and they would

not have been held if the mines had been furnished cars promptly. The mines were thirty days in shipping them, and we had to hunt up a new customer for these cars because we had bought other coal to fill that first order.

Cars are delayed in transit sometimes so that we have to sell them three times. On October 25 I got a rush order and we thought we were doing that customer a favor in taking it. He is still waiting for his car of coal. I don't know how much time was used up in trying to get a car through. When we ship coal now we have no assurance that it will ever get here, or when it will get here. I have shipped coal from Louisville on the Ohio River, and the railroad will say, "We brought that coal through in as prompt time as possible, under the circumstances." When we prove to them conclusively that they did not, because coal shipped on the very same day via other lines came through in half the time, they still insist they did the best they could.

When a train gets too heavy, or when they strike a grade, and it gets wet weather or is a little cold, the engine can not pull as much and they notify the despatcher, and he says: "Set out a couple of cars." And they set out a couple of cars, and it is a long time before those cars are brought in. We want them to give coal the proper movement. It is important—a very important branch of traffic. It comprises 45 per cent of the railway tonnage of the United States.

Commissioner HARLAN. Coal does?

Mr. HOSTLER. It comprises more than that on the Illinois Central and Chicago and Eastern Illinois Railroad.

Commissioner HARLAN. Are there any further questions, Mr. Marble?

Mr. MARBLE. No; I think not.

Mr. HOSTLER. I will prepare this statement showing the reconsignment of cars and the delays on terminals here.

Whereupon, at 10.15 p. m., the further hearing of said matter was adjourned until 10 o'clock the following day, December 21, 1906.

CHICAGO, ILL., *December 21, 1906—10 o'clock a. m.*

SLASON THOMPSON, being first duly sworn, testified as follows:

Mr. MARBLE. You reside in Chicago?

Mr. THOMPSON. Yes, sir.

Mr. MARBLE. What is your business?

Mr. THOMPSON. I am a journalist in the employ of the General Managers' Association; or, perhaps, I should say an ex-journalist.

Mr. MARBLE. General managers of the railways?

Mr. THOMPSON. Yes, sir.

Mr. MARBLE. You are in their employ?

Mr. THOMPSON. Yes, sir.

Mr. MARBLE. And you have written on the general questions concerning which this investigation is being held, as well as other railway questions?

Mr. THOMPSON. I have.

Mr. MARBLE. You heard the testimony yesterday; and, without stopping to sum it up, I will ask if you have any suggestions to

make, or any plan that you have devised, to meet the conditions existing at the present time.

Mr. THOMPSON. My idea in regard to meeting the conditions would be at least partially embodied, I think, in the suggestion of Commissioner Lane, yesterday, of two per diems, one of 50 cents during the dull season, and a dollar or something more during the active period of the year. The condition is so general, the difficulty due to the failure to meet the traffic demands, that it seems to me the remedy must be general too. For the information, perhaps, of the Commission, I wish to say that I have gathered the statistics for the year 1906 up to date for 307 roads, or 308 roads, and I think they show a ton mileage of 213,829,685,000 as against 186,000,000,000 for the total of 1905.

Commissioner LANE. Two hundred and thirteen billion eight hundred and twenty-nine million six hundred and eighty-five thousand for 1906?

Mr. THOMPSON. Two hundred and thirteen billion eight hundred and twenty-nine million six hundred and eighty-five thousand.

Commissioner LANE. Covering the same number of roads?

Mr. THOMPSON. No; but covering 94 per cent of the roads as against the final report for 1905. The roads that are not included, the percentage would not be as great, and I estimate beyond that that perhaps the total figures will be 220,829,685,000.

You will understand the bearing of that when you subtract one from the other, and find the enormous increase that came in the fiscal year 1906, and that that is on top of the remarkable increase growing up to that. Now, for the whole period from 1900, the increase is from 141,599,157,279 to this 220,829,685,000, but you see the greatest increase came right last year. The roads all over the country have endeavored to keep pace with this increase and get ready for it before the increase came. It is indicative of the general business of the entire United States. Since I was subpœnaed here I tried to get—one of the Commissioners yesterday was asking for some of these figures, and if you will permit me I will give them to you, as to the equipment of freight cars and engines. Taking the freight cars first, I have eleven roads, and if you care to have me, I will give you the names of the roads.

Commissioner LANE. Perhaps you can file that memorandum?

Mr. THOMPSON. I won't attempt to give the figures, only just the summaries. I have got a number of roads here, and they include two or three of the principal ones in our General Managers' Association of Chicago.

The number of freight cars in 1900 was three hundred and thirty-one odd thousand, and in 1906 it was four hundred and thirty-two odd thousand, showing an increase in the number of 30 per cent. Now, as to the capacity of those cars, which is the principal thing, and these capacities are given in million pounds of capacity—18,596 in 1900 as against 28,599 in 1906.

Commissioner LANE. Twenty-eight thousand million?

Mr. THOMPSON. Twenty-eight thousand million—twenty-eight thousand five hundred and ninety-nine million.

Commissioner LANE. What percentage of increase is that?

Mr. THOMPSON. The percentage of increased capacity is 53.8 as against 35 in the number.

Commissioner LANE. Do you know what the increase in traffic was during those years?

Mr. THOMPSON. The increase in traffic is practically what I gave you. There is one thing more that I want to say in regard to some of these roads, that the statistics given are not for the full period. The Pennsylvania road is only for from 1901 to 1905.

Commissioner HARLAN. Mr. Thompson, could you conveniently put this in typewriting and file it?

Mr. THOMPSON. I will have this put in typewriting and put it in this afternoon.

Commissioner HARLAN. Or forward it to us at Washington.

Mr. THOMPSON. To whom shall I send it?

Commissioner HARLAN. To the Interstate Commerce Commission, to Mr. Lane, at Washington.

Mr. THOMPSON. The increase in tractive power is very interesting and very significant. The tractive power increased in these years——

Commissioner HARLAN. Covering the same number of roads?

Mr. THOMPSON. Covering the same number of roads. It increased 90 per cent, against an increase in the number of 47.8 per cent. When you get the memorandum you will see that these figures do not cover the whole period. For instance, the figures in reference to the Pennsylvania only cover the time from 1900 to 1905, and of the Northwestern from 1902 to 1906.

I have endeavored in that to reduce the capacity of the engine in every case to the tractive power, and wherever I have had to make the calculation myself I have seen that the increase was less than that as given by the ton weight, some of the roads just keeping the weight of their engines and not the tractive power.

Mr. MARBLE. Now, Mr. Thompson, these figures, where did you get them, as to the increase in tonnage?

Mr. THOMPSON. In tonnage, from the reports from all the roads direct. They are sent to me after the return is made to the Interstate Commerce Commission.

Mr. MARBLE. I want to ask you if you at all suspect that those are simply paper records and do not truly state the conditions, and I will give you a word of explanation. It is sometimes charged that the influence upon the stock market of the reports of great tonnage, and great tonnage per train mile, is such (this has been the charge) that from the general managers down to the division superintendents there is a constant striving to produce those figures, and that the paper figures are considered of more value than the practical results. Do you at all suspect that that is true?

Mr. THOMPSON. I should hardly think so, as long as those figures do not come in until—the last of these figures are just coming now, and they do not come in until long after the financial papers have given out their general results in regard to earnings—gross earnings, and net earnings. My figures are from duplicate pages of the annual report sent out by the Interstate Commerce Commission.

Commissioner HARLAN. Mr. Thompson, have you any other suggestion to make which would tend to relieve this congestion and shortage of cars?

Mr. THOMPSON. Well, I have opinions, but I do not think that I know anything beyond what the others have said.

Commissioner HARLAN. Have you treated of the subject in some of the things that you have written?

Mr. THOMPSON. I have written about that, and I have had information from men like Mr. Sanford, and men in the railroad business, and also from men among my friends, the shippers.

This question of reconsignment, it seems to me, is one of the vital points, because you know how that average of 23.4 miles is arrived at by the division of the entire car mileage by the number of cars owned. That 23 miles per day, if you take the average given by the reports of the Interstate Commerce Commission, for the whole United States, is made upon an average haul of 130 or 133 miles. Now, if you add to the day of the haul, as the trains run, it is no feat at all for them to make the haul in one day, 130 miles. Now, if you add the day to the sum of the days, one day practically for notice and then two days free time to unload and load, I think the average has been said to be nine days—about nine days is taken up in these things—and there is ten days for the 130-mile haul. All you have to do is to divide it, and you see if the railroads were not working pretty hard they could not begin to get 23 miles out of it. When you look at the average that way it really is a delusive average, because it takes in so much time that the stuff is held in cars. Here in Chicago the fact is known that there is no warehouse in the city that, since the recovery of business in 1897, is beginning to keep pace with the business of the city.

Mr. MARBLE. You, of course, recognize the fact that the rules under which these things take place are made by the railroad companies?

Mr. THOMPSON. Yes; I do.

Mr. MARBLE. So that a good deal of the responsibility for it rests upon them?

Mr. THOMPSON. Yes; and I have not any doubt but what they ought to increase their per diem on freight cars so as to make that movement more expeditious; but I don't look on the cars being away from their home yards as such a calamity for the rest of the country, because, of course, the cars have to be away from home, and also it would have the effect to get them back as early as they can. Here in Chicago we have had coal, up to recently, having the right to seven days. That has been reduced to five, and is to be reduced to three.

Commissioner LANE. Do you agree with Mr. Daly, in his statement yesterday, that it is desirable to have some authority, other than the roads, impose a rule reducing the time of reconsignment, so that there may not be a competition against each other among the roads in granting time for reconsignment?

Mr. THOMPSON. I should not quite agree with Mr. Daly on that point, because I think their own self-interest and a little bit of courage on the part of the roads would cause them to agree to the curtailment of certain privileges that perhaps were needed at one time, but are absolutely a drag and a brake on business to-day.

Mr. MARBLE. You never have been at all in favor of any regulation of the railroads, have you?

Mr. THOMPSON. Oh, yes; I favor the regulation of railroads through the Interstate Commerce Commission as an investigating body and then leaving the railroads, as every person else in the United States, to the courts.

Mr. MARBLE. And to their own self-interest, too?

Mr. THOMPSON. Certainly. I do not know as my opinions are of any value, but we had yesterday before the court a witness in regard to a cabbage patch up in Racine. How long do you suppose it would have been before that gentleman would have got anything like a movement of his cabbage if the Government were running the railways?

Mr. MARBLE. Well, Government ownership is not under discussion now.

Mr. THOMPSON. But if it were controlling the proposition as to the distribution of those cars.

Mr. MARBLE. Oh, I don't know; the gentleman got his mail every day, I have no doubt.

Mr. THOMPSON. Mr. Daly explained the difference between the mail and the freight cars.

Mr. MARBLE. We have not time to discuss Government ownership now. We are trying to find out why private ownership does not give better service. I want to ask just a question or two more. Your salary comes out of the railroads' treasuries, does it not, through this General Managers' Association?

Mr. THOMPSON. It comes from the general managers.

Mr. MARBLE. And it is a railroad expenditure, is it not?

Mr. THOMPSON. It is a railroad expenditure, I presume.

Mr. MARBLE. And the managers hire you in their association?

Mr. THOMPSON. Yes.

Mr. MARBLE. Your duties are what? Do you collate these figures and draw the conclusions from them and prepare the literature?

Mr. THOMPSON. The making of these figures is but a part or incident of my general employment to, as far as I can, present a fair view of the railway situation and the questions that are coming up all the time in regard to all matters. Take the labor situation, for instance, stating exactly what their relations are with their employees. That was the original purpose of my employment.

Mr. MARBLE. So that you act between the railroads and the labor reporters on the Chicago papers?

Mr. THOMPSON. Not only the labor reporters of Chicago, but all of them; between the railroads and the press, more or less, of the whole United States.

Mr. MARBLE. Have you at all, on this salary, visited the legislative bodies—Congress and the State legislatures—in the attempt to influence their action?

Mr. THOMPSON. No further than by pamphlets sent to the legislatures and to Congress, if that would be considered a visitation.

Commissioner LANE. You act in the nature of counsel?

Mr. THOMPSON. I have never visited any legislature in that capacity. I have sent pamphlets to them.

Commissioner LANE. You would be thoroughly justified, I think, in considering yourself in the nature of an attorney acting in the presentation of these facts regarding the railroads.

Mr. THOMPSON. I should judge that would be the limit of the relationship.

Commissioner LANE. As an expert before a court would be regarded as associate counsel for the parties employing him.

Mr. THOMPSON. I was not much of an expert on railway affairs

before I understood this. About four years I have been in this capacity. I also regret very much the fact that I charged you with having made certain statements, but I think I was justified in that statement regarding 80 per cent of the Pennsylvania cars being off their road. I think the proof was given, and the figures that I gave were from their books.

Mr. MARBLE. Well, the purport of the figures given by Commissioner Lane was that the diversion of the cars is an evil to be dealt with, and your testimony is to the effect that you also have come to that conclusion.

Mr. THOMPSON. Yes.

Mr. MARBLE. So far as the inference drawn by the Commissioner from the figures is concerned, you agree with it entirely?

Mr. THOMPSON. Oh, yes.

Mr. MARBLE. You simply corrected the figures quoted by him, and his conclusions in that regard you agree with?

Mr. THOMPSON. Yes, sir.

Commissioner HARLAN. Could it be said of your views on the question of car shortage that you expressed those of the operating officials of the railways?

Mr. THOMPSON. I should hardly think so, because they have difficulty in arriving at a common view. I have difficulty in getting at it.

Commissioner HARLAN. If you have anything in a concrete form which gives a critical expression of your views, we would like to have it, both as to the remedy and as to the evil itself.

Mr. THOMPSON. I will furnish it to you with pleasure, sir.

(The witness was excused.)

G. W. HOTCHKISS was called as a witness and, being duly sworn, was examined and testified as follows:

Mr. MARBLE. You reside in Chicago, Ill.?

Mr. HOTCHKISS. Yes, sir.

Mr. MARBLE. And are secretary of the Illinois Lumber Dealers' Association?

Mr. HOTCHKISS. Yes, sir.

Mr. MARBLE. And that Illinois Lumber Dealers' Association includes both wholesale and retail dealers?

Mr. HOTCHKISS. No, sir; it includes the retail dealers of Illinois only.

Mr. MARBLE. Are you familiar with the experience as to transportation matters which the retail dealers of Illinois have had in recent months?

Mr. HOTCHKISS. I have been acquainted with that for the last ten or fifteen years.

Mr. MARBLE. You, yourself, have been a lumber dealer?

Mr. HOTCHKISS. For sixty years; I have been connected with the trade in one way or another since 1847.

Mr. MARBLE. Do practically all of the retail dealers of the State belong to this association?

Mr. HOTCHKISS. About one-half of them.

Mr. MARBLE. Are they scattered as to locality, so that an expression of their opinion would be an indication of the conditions existing in the State generally?

Mr. HOTCHKISS. Through every section of the State; yes, sir.

Mr. MARBLE. Are you acquainted with conditions by advising with them personally, or by correspondence?

Mr. HOTCHKISS. I am constantly being advised by them, and am in contact with them.

Mr. MARBLE. Are the retail lumber dealers of this State securing transportation facilities to a sufficient extent from the railroads?

Mr. HOTCHKISS. They do not feel that they are.

Mr. MARBLE. Could you tell us of the nature of the trouble in getting cars when they want them?

Mr. HOTCHKISS. Their difficulty is more in the delay of cars in transportation than in any other respect, and in demurrage charges where cars are bunched upon the roads and too many delivered at a time, and that causes a great many of the complaints that reach me.

Mr. MARBLE. Do they have difficulty in securing the prompt movement of cars after they are loaded; that is, in getting them started in the trains?

Mr. HOTCHKISS. Very great and constant difficulty.

Mr. MARBLE. Cars stand after being loaded?

Mr. HOTCHKISS. Cars stand after being loaded; and as an instance, one case was reported to me last spring of a contractor who bought from a retailer—placed an order with a southern mill for a large bill of exceptional timber that had to be cut to order. There was a delay—after the order was accepted and shipped and put upon the cars there was a delay of four months. The contractor could not wait any longer and the retailer had to shop around at one point and another in Chicago, Milwaukee, and other places to pick up this extra and unusual character of lumber to fill the bill. Subsequently the other car that had been ordered came in and lay upon his hands. He then had no use for it and he perhaps won't be able to sell it for years.

Mr. MARBLE. Was it a delay in receiving the cars in which to load the lumber?

Mr. HOTCHKISS. That delay occurred after the car was loaded, in the transportation from the point of loading to the point of destination.

Mr. MARBLE. Was any portion of that delay on the track where the car stood while being loaded; that is, was there any delay to the car before it was started on its journey?

Mr. HOTCHKISS. I could not say as to that. The bill of lading was sent on to this purchaser, and he expected that it would be forwarded to him at once.

Mr. MARBLE. And then between the time that it was billed and the time that it was delivered——

Mr. HOTCHKISS. That was four months.

Mr. MARBLE. Can you tell us what road it was that made that delay?

Mr. HOTCHKISS. I can not; I have no knowledge, of course, on that. It is some months since it occurred. In regard to that I have a statement here from one of the members of our association in which he gives some statistics of cars which show that the average length of time from the time a car starts to the time it reaches its destination is from thirty to forty-five days.

Mr. MARBLE. From what place?

Mr. HOTCHKISS. A general distance, in the South. Here is a car starting from the South on June 7, and reaching Chicago June 11, which is a very fair time.

Mr. MARBLE. Four days?

Mr. HOTCHKISS. Four days; and here is another, starting June 26, which reaches its destination on July 27.

Mr. MARBLE. Well, let me ask you, without stopping to read those, if you can prepare and submit to us figures which will show the time made on a number of cars, the shortest time and the longest time, give us the date of the starting of the car, and the date of its arrival at destination, and the road, so that we can arrive at definite information, and submit it to us or send it to us?

Mr. HOTCHKISS. I think I could make that up and send it to you.

Commissioner HARLAN. Yes; if you will do that as soon as convenient.

Mr. MARBLE. Let it cover as much of the territory and be as general an illustration of experience in that line as you can.

Mr. HOTCHKISS. Here is a letter I received in October, and I took the matter it refers to up with the Car Service Association, but it did not amount to anything.

Commissioner HARLAN. May I ask what the substance of it is?

Mr. HOTCHKISS. The general substance is that there was not relief from the imposition of delays and demurrage for the cars which were used. For instance, here is a party that gives me a list of some 12 cars which were all bunched on him in a very short time, and he is unable to take care of them.

Commissioner HARLAN. Will you file that letter, Mr. Hotchkiss?

Mr. HOTCHKISS. I will file a copy of it.

Commissioner HARLAN. Well, just one question, Mr. Hotchkiss. Does this delay in receiving cars and the delay in transit result in any financial loss?

Mr. HOTCHKISS. In very great financial loss. It is one of the prominent subjects of discussion in our annual meeting—how can we overcome the delay? I tried a year ago to find some means of preventing it, and I started in to find out how, and many parties were then discussing it. We took it up with one party one year and with another party the second time, and the third year we finally asked the Car Service Association to hold a meeting, and they promised that they would hold a meeting at the railway exchange. I was invited, and I was present, and our people were lined up on one side of the table, with a lot of railroad men representing a lot of roads on the other side. I went on and made my statement of our case, and the other gentlemen made statements of theirs, and I asked for relief, and a gentleman got up and said, "Why, the car-service men have nothing to do with that." And that is about all you can get out of it.

Commissioner HARLAN. And the conditions have not improved?

Mr. HOTCHKISS. No, sir.

Commissioner HARLAN. Have you any suggestions to make as to the proper rules to be adopted?

Mr. HOTCHKISS. The general sentiment of the retail trade of the city and of the State is that there should be some reciprocal arrangement which would apply on moving the cars from transfer points.

One gentleman in conversation the other day told me that one car of his traveled to him at the rate of 5 miles a day, and he told me of the number of orders that he had lost.

Commissioner HARLAN. Do you think that the suggestion of reciprocal demurrage reflects the general sentiment of the people?

Mr. HOTCHKISS. I think it reflects the general sentiment; yes, sir. I have a letter here received this morning from one of our prominent members, a former officer of the association, which is very brief. He says:

> The slow movement of cars after being put in transit is a question which certainly demands the attention of the members at this time.

It seems to us that reciprocal demurrage, when enacted into a law, is the proper solution of the question.

(The witness was excused.)

A. L. BERRY, called as a witness, and being duly sworn, was examined and testified as follows:

Mr. MARBLE. You reside in the city of Chicago?

Mr. BERRY. Yes, sir.

Mr. MARBLE. You are a wholesale coal merchant?

Mr. BERRY. Yes, sir.

Mr. MARBLE. With what company?

Mr. BERRY. The Berry Coal and Coke Company.

Mr. MARBLE. From what States do you secure your coal?

Mr. BERRY. Mostly from Pennsylvania and Illinois.

Mr. MARBLE. And that coal is brought through Chicago?

Mr. BERRY. Yes, sir.

Mr. MARBLE. And is reconsigned to what States?

Mr. BERRY. Well, most of it would go away to the Pacific coast. Our business is almost altogether on long hauls.

Commissioner HARLAN. Is it a special class of business?

Mr. BERRY. Yes, sir.

Mr. MARBLE. What is the volume of your business—how many cars per year?

Mr. BERRY. Well, I could not say, but probably 1,500 to 2,000 cars, and posibly more.

Mr. MARBLE. Have you had the same difficulty in getting cars and in slow transportation that has been testified to by other shippers?

Mr. BERRY. We have, especially from the East. The Pennsylvania people I don't think have furnished us a single car for several months, except private cars owned by the people who mine the coal. We arranged with them to get in more of their cars here and transfer them to west-bound cars, but in spite of that we did not get a single car shipped for several months.

Mr. MARBLE. Was there a slow movement of such cars as you did get?

Mr. BERRY. There was not so much of a slow movement in getting to Chicago as there was after we got the cars to Chicago, especially on account of the rehandling of cars going out of Chicago. Congestion has been the trouble. I have a record in my pocket of cars, after being loaded on the 23d day of October and shipped over our roads, that arrived in Chicago on the 30th day of November, five weeks after they were loaded.

Mr. MARBLE. Is that a switching delay to any extent?

Mr. BERRY. This car specially had to be transferred, but we have records on other cars that have been from fifteen days to three weeks in getting over our tracks out of Chicago.

Commissioner HARLAN. Mr. Berry, let me understand that. Coal arrives from the East by what road?

Mr. BERRY. By the Pennsylvania.

Commissioner HARLAN. And then you give reconsignment orders to some point in the West?

Mr. BERRY. No; we take that car to our yard because if it is over a 100,000-pound car we could not ship it West, and if it is a private car belonging to the mine which furnished the coal we transfer that to a western-bound car.

Commissioner HARLAN. You transfer it yourself?

Mr. BERRY. Yes, and then sent it west. A car left our yard on the 23d of October, and left Chicago on the 30th day—the bill of lading was signed on the 30th day of November.

Commissioner HARLAN. You did the transferring yourself?

Mr. BERRY. Yes.

Commissioner HARLAN. Is that typical of other instances of similar delays?

Mr. BERRY. I think that the delay here has been the delay in shipping—I think that has been the trouble in the last few months.

Commissioner HARLAN. What is the average delay in your shipments?

Mr. BERRY. I should judge it took us at least ten to fifteen days on an average to get a car outside of Chicago after we had really loaded it and got it started.

Commissioner HARLAN. After you had given orders to move the loaded car?

Mr. BERRY. Yes; and got it out of our yards; but after it gets out of our yards going to the western lines, it takes from ten to twenty days at least, to get the car away.

Commissioner HARLAN. What effect has that had on your business?

Mr. BERRY. Well, it has had the effect of canceling a great many orders, and demoralizing the business to a great extent.

Commissioner HARLAN. Do you mean by that that it has brought a financial loss?

Mr. BERRY. Yes; in many cases it has.

Commissioner HARLAN. Do you know whether other coal dealers suffer in the same way?

Mr. BERRY. Well, possibly; I don't think they do as much, because they don't transfer coal into western cars as much as we do. They ship a great deal from the mine.

Commissioner HARLAN. Your business is a special business?

Mr. BERRY. Yes.

Commissioner HARLAN. Have you any suggestion to make as to the rules to be adopted or legislation to be passed to effect a remedy?

Mr. BERRY. I want first to correct several impressions that have been made relative to the fact that the railroad companies advise that the shippers are the people who hold the cars. Now, there is a rule, just as this gentleman testified a moment ago, under which the railroad companies allow in the summer time seven days for cars stand-

ing, free time on track in Chicago. That is voluntary with them. In other words, they invited the shippers of coal to make warehouses of their cars to the extent of seven days time in Chicago.

Commissioner HARLAN. And they do that without cost to the shipper?

Mr. BERRY. Yes; and they do it voluntarily, and then they go right on to say that the shippers are holding these cars.

Commissioner HARLAN. Could you get along with a less time?

Mr. BERRY. Certainly, we could.

Commissioner HARLAN. How much time would satisfy your requirements?

Mr. BERRY. On Illinois coal, as has been testified to here recently, with a very few exceptions, a car could be sent right through.

Commissioner HARLAN. Without any delay in Chicago at all?

Mr. BERRY. Without any delay in Chicago at all, and that would obviate, in a measure, a great deal of trouble and delays in these large centers.

Commissioner HARLAN. How about the Pittsburg coal?

Mr. BERRY. Now, there is where the trouble first began. You understand, in consigning coal from the East——

Commissioner HARLAN. How much time would satisfy your requirements on Pittsburg coal?

Mr. BERRY. On coal coming from the East I would say, in the summer time, if we had seventy-two hours here it would be sufficient, and, under some circumstances, we would just as soon have it cut down to forty-eight hours.

Mr. MARBLE. And in the winter time?

Mr. BERRY. And in the winter time still less, if necessary.

Commissioner HARLAN. To be brief, then, you agree that there is an abuse in this matter of time, and that it would be to your advantage as a shipper to have the time reduced?

Mr. BERRY. Yes; I do. I say, it is not the fault of the shipper. It is simply rivalry between the railroads.

Commissioner HARLAN. We understand it was a voluntary move when the rule was established by the railroads.

Mr. BERRY. Yes.

Commissioner HARLAN. Have you any further suggestions to offer?

Mr. BERRY. I have the further suggestion that a large part of the congestion in these large cities could be avoided; that could be accomplished to some extent by not making the through rate on coal higher than the sum of the locals. Yesterday, or the day before, there were 50 carloads of soft coal here for shipment to Montana. The rate to St. Paul, locally, is $1.40. The Montana common-point rate, taking it from St. Paul and Minneapolis and Minnesota transfer, is $6. That makes $7.40. The through rate is $7.50, and a man can have his 50 cars consigned at St. Paul on a $1.40 rate, and then the railroads get the rehandling of it and the reshipping of it again out of there, and he will do that to save his 10 cents, while, if the through rate was made the sum of the two locals, which has always been done, and which, for the last twenty years, has been a maxim among railroads, that the sum of the locals—the through rate shall never exceed the sum of the two locals—it would be better.

Commissioner HARLAN. That is to say, that where shippers find that the sum of the locals makes a better rate than the through rate,

they take advantage of the sum of the locals, and that requires rehandling of the car?

Mr. BERRY. We are obliged to, or lose the order of the man in St. Paul.

Commissioner HARLAN. Now, do you think a considerable part of this trouble comes from the congestion and delays in Chicago?

Mr. BERRY. Yes; I think it does. At least, I think a part of it does. The local rate is placed at a figure where it will pay the railroad company for handling the car. That is supposed to be the highest rate. In a great many instances some of those local rates are lower than the through rate, and the consequence is that a man who has sent out his prices, and things of that kind, is basing his conclusion always, as we have done for the last twenty years, on the sum of the locals.

Commissioner HARLAN. Why don't you make a complaint against the through rate as excessive?

Mr. BERRY. I have written the Interstate Commerce Commission in regard to that, and I have a letter from Mr. Harlan regarding that very subject.

Commissioner LANE. Well, make a formal complaint. The Commission has already indicated its mind on that proposition that the presumption will be against the through rate as a reasonable rate if it exceeds the sum of the locals. We have given every indication that we could to the railroads of the country that we would so hold, and we have even gone further and permitted the railroads to put in reduced through rates, which would not exceed the sum of the locals, upon one or two days notice.

Mr. BERRY. Yes, you have given them the permission, but they do not take advantage of it.

Commissioner LANE. It is then up to the shippers to bring a prompt complaint against those railroads, or those rates, and it is up to every man who uses the through rate to make his claim against the railroad for the difference between the sum of the locals and the through rate.

Mr. BERRY. What is the outcome of that? They will tell you that the Interstate Commerce Commission will not allow them to make a rate; that they will not allow them to apply the sum of the locals wherever the through rate is higher.

Commissioner LANE. What difference does that make? If you bring your complaint before us you can get that through rate reduced.

Mr. BERRY. Well, that is not necessary, if the Commission will not give it to us.

Commissioner LANE. Mr. Berry, you had better get your official information from the Interstate Commerce Commission on that question.

Mr. BERRY. Your letter to us was not that you would compel the railroads to make up a through rate to equal the sum of the two locals, but that you could not compel the railroads to reduce their through rate, as I understand it.

Commissioner HARLAN. Unless the shipper filed a complaint. We can not act on rates until the shipper complains. Now, if the shippers have a complaint to make they must forward it to the Commission.

Mr. BERRY. Well, I am one of those parties that complain whenever I get a chance, I assure you of that.

Commissioner HARLAN. Have you any other suggestion? This question of the sum of the locals being less than the through rate is thoroughly understood, and the shippers by this time ought to understand what their remedy is. Now, is there any other suggestion?

Mr. BERRY. The only other suggestion is what I was trying to bring out yesterday, the fact that they want the railroads—the railroads want the Commission to compel them to make these rules about consignments. The motive with which that is done is not to bring about a remedy at all, but is simply on account of the rivalry between the companies. They won't dare when it comes to winter time, when they want those cars oftener than they do in the summer time—there is not one of those railroads that will take action itself, but they hold a meeting and all agree upon it and then cut out the free time. The great trouble in these propositions is this: That the railroads could bring about relief—there is no question about that—but they don't seem to care to do it.

Commissioner HARLAN. Why do you bring your coal that is destined to the west to Chicago at all?

Mr. BERRY. For the very reason I told you a moment ago. For our western shippers we can not get a car that we can send through. We have to take those iron hopper cars, which contain 106,000 to 112,000 pounds, and send them back to the man who owns the car. They won't let them go west of Chicago. We have to bring them up here and then transfer them into a western car. Our western customers will not receive a car of that kind. The railways will not haul it out there. As it is a private car, we have to transfer the coal here. We can not get the coal, for the same reason, from Pennsylvania and must get western cars into the mines for loading it. We had the matter up several months ago with the Illinois Central road, with their eastern agent, and they furnished us some cars at the mines for loading. They had cars at Pittsburg, and cars at different points, but we never could get the Pennsylvania to put those cars in at the mines to be loaded, and the only thing we got out here for months was these large iron hopper cars.

Commissioner HARLAN. The Commission got all that information from your letter.

Mr. BERRY. One other point about the movement of these cars. They say that a fuel car only moves so many times a month. They have a rate between the railroads here of 40 cents a ton. That is the minimum rate on coal coming to Chicago, and the consequence is that that car moves from the Illinois Central over on the Lake Shore at 40 cents a ton, when the actual movement of the car would be just the same as though they sent the car back to the mine, reloaded it, and sent it back to Chicago. The fact of the coal coming to Chicago and being shipped in this way has been encouraged by the railroads.

Commissioner HARLAN. It costs you $16 to switch a car?

Mr. BERRY. A small car. When we have a large car, like a 100,000-pound car, it would cost us $20.

Commissioner HARLAN. How long have you been required to pay switching charges?

Mr. BERRY. A year and a half or two years.

Commissioner HARLAN. What is the distance traveled by such a car?

Mr. BERRY. Oh, probably about 6 miles; sometimes less than that; some of them 4 miles.

Commissioner HARLAN. Is there any complaint about that?

Mr. BERRY. I don't think there is any complaint about that; I think the dealers here have complained, but there is a sort of an agreement between the railroads that the railroad that furnishes the unloading facilities shall have the minimum rate to Chicago, which is 40 cents a ton on soft coal.

(The witness was excused.)

WILLIAM B. BARR, called as a witness, was duly sworn, and testified as follows:

Mr. MARBLE. You reside in the city of Chicago?

Mr. BARR. Yes, sir.

Mr. MARBLE. You are manager of the Chicago Terminal Transfer Railway?

Mr. BARR. General freight and passenger agent.

Mr. MARBLE. And that Terminal Transfer Railway has its tracks entirely within the city of Chicago?

Mr. BARR. Not entirely. We have rails from McCook, Ill., and Whiting, Ind., into Chicago. A small portion of our track is in Indiana; almost all of it is in Illinois, and the larger portion of it is within the city limits.

Mr. MARBLE. Then you are an interstate carrier?

Mr. BARR. Yes, sir.

Mr. MARBLE. How many miles of tracks have you?

Mr. BARR. We have about 270 miles of main line and sidings and double track.

Mr. MARBLE. A total of 270?

Mr. BARR. I think it is about 270 miles; yes, sir.

Mr. MARBLE. You do switching between the different railroads coming into the city?

Mr. BARR. Yes, sir.

Mr. MARBLE. And you receive freight from industries in this city for transfer to the railroads?

Mr. BARR. Yes, sir.

Mr. MARBLE. And you also transfer freight between different industries in this city?

Mr. BARR. Yes, sir.

Mr. MARBLE. And you handle considerable coal business to the industries of this city?

Mr. BARR. Yes; we handle quite a large amount of coal for consumption. There are about 184 industries on our line, all of which have to be supplied more or less, and we supply some of them very largely.

Mr. MARBLE. You also transfer train loads of coal that are going through Chicago?

Mr. BARR. Yes, sir.

Mr. MARBLE. What length of time are those trains in passing through Chicago?

Mr. BARR. A carload of coal that we handle—would handle for transfer—is handled through in about twenty-four hours.

Mr. MARBLE. You transfer some reconsigned cars, do you?

Mr. BARR. Yes, sir.

Mr. MARBLE. About what length of time are reconsigned cars held in Chicago?

Mr. BARR. That is quite a difficult thing to answer. The reconsignment of coal needs a little explanation. Coal that is mined and turned out by the operator at the mines is forwarded to Chicago on a sort of blind billing, because each customer is going to take so much coal per day, and the man who sells the coal does not know exactly how much he is going to take, and so it is a difficult matter for him to give the final destination of that coal. He may have a contract with one concern which wants 10 cars per day, and circumstances might arise whereby they could only use five, so that he is subjected to those conditions when his coal comes here.

That coal is reconsigned, and we make a reconsigning charge and publish it and make it a part of our tariff, in order to obstruct that practice as much as we can.

Mr. MARBLE. What is the amount of that charge?

Mr. BARR. It is $3 in some cases and $4 in others.

Mr. MARBLE. What makes the difference between the $3 and the $4?

Mr. BARR. Well, a little longer haul.

Commissioner HARLAN. Do you know of any charge at 40 cents a ton, such as Mr. Berry has just testified to?

Mr. BARR. I have been told of a charge of 40 cents a ton, which is not—according to our interpretation—exactly a reconsigning charge. A charge of 40 cents per ton is sometimes made for coal that we will say will come in from the Illinois mines. That is, so I am told by shippers. That goes to an industry, we will say, and suppose it comes in on the Chicago & Eastern Illinois Railroad and then goes to some other line for delivery, for which they publish a rate per ton which is not considered a switching rate. Therefore they don't call that a reconsigning charge, although, as a matter of fact, it is a charge for reconsigning.

Commissioner HARLAN. It is the same service, is it not? It arrives here in Chicago, and then is switched over—it is just about the same service as you perform for $3.

Mr. BARR. In some cases; yes.

Commissioner LANE. What is the tariff on that coal from Illinois mines to Chicago, approximately?

Mr. BARR. Well, the tariff rates run all the way from 67½ cents to $1 a ton.

Commissioner LANE. What amount of haul is that?

Mr. BARR. Well, I could not give you that exactly, but I should say approximately——

Commissioner LANE. Take the 67-cent rate.

Mr. BARR. I should think about 80 miles.

Commissioner LANE. Eighty miles?

Mr. BARR. I should think so, although that is not a definite statement.

Commissioner HARLAN. Mr. Berry, what is the rate from Pittsburg to Chicago?

Mr. BERRY. $2.05.

Commissioner LANE. And the distance inside of Chicago, where they charge 40 cents a ton, is about 6 miles?

Mr. BARR. Well, I have not before me just the points to which the 40-cent rate applies.

Commissioner LANE. Mr. Berry, what is the distance on that rate?

Mr. BERRY. I don't think it would average over 4 miles where the charge is 40 cents.

Mr. MARBLE. What is the value of that coal when you sell it after paying this rate of $2.05 and 40 cents?

Mr. BERRY. Do you mean when it is added——

Mr. MARBLE. What proportion of the selling value of the coal is the transportation charge?

Mr. BERRY. About one-fifth of it—one-fifth is the switching charge of 40 cents a ton. Coal sells per carload at $2 a ton in Chicago, and we pay 40 cents a ton to get it switched over on another track.

Mr. MARBLE. Have you any industries which you must supply with coal several times a day?

Mr. BARR. Well, unless conditions are peculiar, ordinarily we switch about once a day.

Mr. MARBLE. Does that necessity of frequent supply result in detention of cars, or in a loss of movement of cars?

Mr. BARR. Well, not seriously to us. We began about a year ago, and we carefully investigated into what was our maximum capacity, so far as yard room was concerned, and we don't allow, and have not since that time allowed, our maximum capacity to be exceeded. Rather than do that we place an embargo on coal coming in, so that people who are receiving are not allowed to blockade the yards by more coal than they can handle promptly.

Mr. MARBLE. Does that mean that you have such small facilities that you are curtailing shipments coming into and through the city from what they would otherwise be?

Mr. BARR. I am speaking now simply of local consumption.

Mr. MARBLE. Well, does that mean that you are reducing the coal supply of the city by inadequate facilities?

Mr. BARR. No; it simply means that we are not allowing coal to come in and obstruct our tracks, if they can not take care of it, and coal that they do not require for their daily needs.

Mr. MARBLE. Then the necessity for a daily supply is caused by your road—would you say that that is it—or is it caused by a lack of warehouse room on the part of the receivers?

Mr. BARR. I did not understand that.

Mr. MARBLE. This necessity for a supply of coal so frequently and constantly—is that caused by inadequate facilities on your part, or by inadequate facilities on the part of receivers?

Mr. BARR. Of course, our facilities are not as great as we could wish. We are like other people to-day; our facilities have been increased, perhaps, during the last two years to the extent of 600 acres of yard room, particularly our special coal yard at Riverdale, which has been increased about 400 acres.

Mr. MARBLE. Can you make any suggestion as to how the use of cars for warehouses in Chicago could be reduced?

Mr. BARR. So far as the coal trade is concerned, something could be accomplished by the abrogation of the reconsignment privilege and by through billing, but that is likely to bring about other evils. It would materially increase the movement of coal, but it also operates against the mining of coal, because the operator who produces

the coal and sells it can not be assured as the coal is turned out of the final destination. If you take away the entire element of chance in the movement of coal, you obstruct the commercial operations, it seems to me, almost as much as could be done by such a measure. We will not permit a car now to be reconsigned more than twice. It used to be the fact that a car would be reconsigned as many as seven times or eight times—the same car. Of course, that has brought about a very material improvement on our rails.

(The witness was excused.)

GEORGE W. PATTEN, called as a witness, was duly sworn and testified as follows:

Mr. MARBLE. You reside in the city of Chicago?

Mr. PATTEN. Yes, sir.

Mr. MARBLE. What is your business?

Mr. PATTEN. I am in the grain business.

Mr. MARBLE. Connected with what firm?

Mr. PATTEN. I am a member of the firm of Bartlett, Frazier & Carrington.

Mr. MARBLE. You are a member of the board of trade, and your firm operates both public and private elevators in this city?

Mr. PATTEN. Yes, sir.

Mr. MARBLE. Yours is a very large receiving firm, is it not?

Mr. PATTEN. We receive a great deal of grain and we handle and buy large quantities in Chicago and in the country, and run a great many country stations.

Mr. MARBLE. And have you facilities for unloading and handling and storing a great many carloads of grain in the course of a year?

Mr. PATTEN. We operate six large elevators in Chicago.

Mr. MARBLE. How many carloads of grain do you unload in a year, approximately?

Mr. PATTEN. I should think 25,000, it might be 30,000, but anywhere from 20,000,000 to 35,000,000 bushels.

Mr. MARBLE. How much clear time do you have allowed you by the railroad companies?

Mr. PATTEN. I think the rule is five days.

Mr. MARBLE. How much of that do you use?

Mr. PATTEN. In the past year, practically no time.

Mr. MARBLE. One day?

Mr. PATTEN. I think the larger percentage of our grain is unloaded the day it arrives at the elevator.

Mr. MARBLE. Do you at all use cars for warehouses, for storage room?

Mr. PATTEN. Why the direct answer to that would be no, we do not.

Commissioner LANE. Do you have to pay any demurrage?

Mr. PATTEN. I recall of but one case in the past twelve months where we paid demurrage. We had a strike at one of our elevators in July, and one of the railroads, I think it was the Terminal, charged us $80 demurrage during that strike. Some few cars were held over five days. The strike lasted four days, and we did not get the tracks cleaned up at once, and I think they charged us $80 demurrage.

Mr. MARBLE. Have you prepared a statement of figures showing the delay of cars in switching operations by the railroad companies?

Mr. PATTEN. Mr. Boyd, the manager of the transportation department, of the board of trade, in speaking of your coming here, asked what our experience was in that line. I suggested that our books would show the date the cars were loaded in the country, the date of their arrival in Chicago, the date of inspection, the date that the car was ordered to the elevator, and when it was unloaded; and I have prepared a list of some 400 or 500 cars, and I gave that list to Mr. Boyd, and understand that you have it now.

Commissioner LANE. Are they just the usual run of cars, or are they particular cases?

Mr. PATTEN. I took the month of November, taking the 1st day of the month, and cars received, I think, from about five railroads. I think the Burlington was one, the Northwestern, the Rock Island, and the Chicago and Eastern Illinois. I took the 1st day of November, and the list that is now made up—Mr. Boyd wished this made up—so I took the first 40 cars on each of those different railroads from the 1st day of November in succession, in consecutive order, not picking out any examples. I took the month of November, because I know at that time the movement of grain was light, and it was a very favorable time to the railroads.

Commissioner LANE. About what is the average time that it takes to get a car to your elevator from the time it reaches Chicago?

Mr. PATTEN. It depends very much on the different railroads. The Illinois Central have yards, and I presume from there it would be a fraction over twenty-four hours. As a rule each railroad will ship or switch to its own elevator or elevators on its own track quicker than they will to elevators that are on others' tracks.

The Chicago and Eastern Illinois's statement is much worse than any other statement. The Northwestern Railway owns no elevators themselves. They switch to a number of elevators and deliver most of their grain through these terminal switching railroads, like the Chicago Terminal and the Belt Line. Their average, I should think, would run—well, we consider two days about the average time, but it frequently runs up to four or five or six days, and I think the record will show that it is sometimes as high as eight or ten days.

The Burlington have their own elevators, but they switch, however, through the Belt to our elevators, and they run from two to six days, and occasionally as high as ten days. If you will allow me to consult that memorandum I can tell you the average. It runs from three to five days.

Mr. MARBLE. I have not got it. Mr. Boyd has it.

Mr. PATTEN. I went over it very carefully. In fact, it is brought to my attention very frequently, the subject of these delays, and within the last three months I have written letters to all the high railroad officials, calling attention to the slowness with which grain was moving to the elevators.

Commissioner LANE. Did they give any answer to you showing the reason.

Mr. PATTEN. Practically so; yes. I called at the Illinois Central this morning about a delay this very day to the movement of grain on their road, and their answer was this morning that to a certain extent the yards were congested with coal and freight and one thing and another, and I found out this morning that they did have a

wreck. Two freight trains ran into each other at some critical point and demoralized the service. They were somewhat tied up on that account in their switching operations yesterday. Those things happen and can not be helped, I guess.

Mr. MABBLE. Is there anything further?

Mr. PATTEN. Well, the question that Mr. McKenzie asked, if I could offer any solution which would tend to the prompt handling of grain through the yards in Chicago. I told him it was a hard question and I hardly thought that a grain man was competent to run a railroad. That is a special business by itself, but it has seemed to me that the use and abuse of cars by the railroads themselves is one of the great weaknesses of the whole transaction. The per diem is so small that the average railroad that needs the car keeps it indefinitely, and refuses to allow it to go back to the owning road, and, in my opinion, some of the larger railroads to-day are very badly handicapped by the abuse of their cars by the smaller systems.

I think the Illinois Central to-day has some 10,000 cars of its own on hand less than it has of foreign cars. We are suffering ourselves to-day, I have no doubt, from the misuse of the cars of the Illinois Central Railroad.

If they could agree among themselves—if the railroads could agree to make this rule for the use of their cars so that the weaker roads would either provide their own equipment or return the equipment, that would be the only solution of that great problem.

Commissioner LANE. Is there a feeling among grain men that the rule regarding reciprocal demurrage should be adopted?

Mr. PATTEN. I have heard that question discussed a great deal by railroad men and by grain men. It seems to me to be a very radical step to take. The question is what the railroads can do and how they ought to do it. I think they should be criticised, perhaps, in reference to the movement of grain. To-day climatic conditions are favorable, and yet the Michigan Central is taking to-day from fifteen to seventeen days to haul a car of grain from Chicago to Buffalo. The Boston and Albany to-day is badly congested. In fact, the roads from Chicago east are giving such poor service that while we would ordinarily take contracts to deliver grain to ocean vessels, we are loath to do so because we are liable to heavy expense, owing to the fact that we may not be able to get the freight to the ocean vessels in time.

Within three or four days one of the large ocean lines in Boston wished some freight to go on the 23d of January. This was, I think, on Monday or Tuesday of this week. After looking the situation over carefully we refused to make the contract for fear that, even if they furnished the cars in Chicago, they would not be able to deliver the grain by the 23d of January, owing to the congestion and the slow movement of the grain en route. It does seem, allowing for the fact that the railroads charge all the shippers of the country so sharply on demurrage, that they should take some care not to occupy three or four or five times as long en route themselves as is necessary and three or four or five times more time than they have allowed us after they have procured the grain. It does seem wrong, but I question the propriety of making a law that would compel the railroad to haul it so many miles per day. It looks like a very radical action. Whether

it would work out to the benefit of the whole country I am not sure. It might result in the railroads, even if they could be brought to it, getting into a bad mix up.

Of course, the traffic management and the actual handling of the cars are in two departments. I have often thought that it would be a good thing if they could be brought closer together. Of course, they both report to the president. The solicitor is always anxious to get business, and he is working for business, sometimes beyond the capacity of his road to handle it. I have often thought if the railroads could bring the two departments together, and stop the soliciting, or perhaps stop the taking of business when they have got all the business they can handle, that it would be better. If they would handle their affairs a little more intelligently in that way I think better results would be produced. For instance, if they would do like the street car does when it is full, put up a sign to that effect and take no more passengers.

A VOICE. Where do street cars do that—in heaven?

Mr. PATTEN. The railroads don't even put up a sign.

Commissioner LANE. They have put up a sign in a good many places, and there is a good deal of complaining about that.

Mr. PATTEN. I don't believe it is possible for any railroad to handle all the business that can be given it in one day, or in any one week.

Commissioner LANE. Especially in the months of September and October?

Mr. PATTEN. During certain months, when the farmers are free sellers of grain, it would be almost impossible.

Commissioner LANE. Now, suppose that you tried to work through this volume of business in some way. Suppose that a rule could be made pliable so that a shipper at one time would be entitled to demand a car to be given to him, we will say, upon ten days' notice, and that in the more congested periods, the railroad would have a leeway of twenty days; could a rule be made so as to work with justice to the railroad?

Mr. PATTEN. I would hesitate to say so. There is no question but that the railroad men of America are using the best efforts, and the railroads are hiring the best possible men they can possibly find to manage their business, and I can not conceive of any railroad not doing the best it can with the facilities it has got at all times.

Commissioner LANE. Now, the objection made by Mr. Kruttschnitt, who is certainly one of the ablest and brightest railroad men in the United States, was, as I remember it, that it could not be but unfair to the railroad which permitted its cars to go off of its line. He raised no objection to the demurrage plan, so far as it applied to the one line of the initial carrier.

Mr. PATTEN. Well, I am sure the shippers would be perfectly willing to accept a proposition of that kind. We certainly could not object to a railroad agreeing to move a car so many miles per day. One of the greatest troubles that the grain shipper has is the irregularity of the movement of grain at times. It puts the business in a very hazardous position. I saw a statement recently that the New York shippers have lost half a million dollars this year, owing to slow movement of grain.

Commissioner LANE. Do you find it impossible to get your cars to the eastern ports?

Mr. PATTEN. To move in time to make ocean connections?

Commissioner LANE. You find it hard to get freight to them, is that it?

Mr. PATTEN. Yes; that seems to be the difficulty.

Commissioner LANE. You find it hard to get freight to them; is there?

Mr. PATTEN. Coming this way, not so much. Of course, the answer we frequently get in asking for cars is that they are unable to get their cars west, and hence it is difficult to give us the cars that we need for shipment east. We bring no grain from the east. Our grain business entirely goes east. This is a statement, and I think perhaps that Mr. Marble can give you a digest of that quicker than I can. (Referring to statement prepared by Mr. Patten and given to Mr. Boyd.) Was there any question you wished to ask me?

Mr. MARBLE. No. You said you wanted to consult that statement, and I have it here now. Do you know whether or not the Lake Shore road recently sent out word to its solicitors for business to cease soliciting business and go to hunting cars?

Mr. PATTEN. I think one of their young men told me that they had just taken that course.

Mr. MARBLE. That was the New York Central lines?

Mr. PATTEN. Yes. This statement here shows that 211 cars out of 267 were unloaded the same day they were received at the elevator; 44 cars were unloaded in one day, 10 cars in two days, and 2 cars in three days. That is all of the 267 cars.

Commissioner LANE. That does not look very much as if you were holding up the railroads.

Mr. PATTEN. I think it is permissible to make that statement. I noticed in the papers this morning that Mr. Daly claimed that the grain shippers were slow in unloading grain. Now, in my experience in running these elevators, I recollect of but one case where there was any serious delay in the elevators in a number of years. That was one of those cases where there had been a very slow movement of grain for a number of months, and the cars had accumulated from the grain belt—one of those periods which strikes the farmers and which no one as yet has been able to explain, but the farmers from Nebraska to Ohio commence to sell almost at the same time.

Commissioner LANE. Just read the first eight or ten of those items, the time that it took from the time that you ordered the car from the elevators to the time that the car was delivered to the elevator.

Mr. PATTEN. This is the portion relating to the Chicago, Burlington and Quincy. The car was ordered to the elevator on October 30 and arrived at the elevator the 5th of November; the next car was ordered to the elevator on the 3d of November, arrived on the 8th, and was unloaded on the 8th. The first car I referred to, which arrived at the elevator on the 5th, was unloaded on the 5th. The next car was ordered on the 3d, arrived at the elevator on the 8th, and was unloaded on the 8th. The next was ordered on the 5th, arrived at the elevator on the 5th, and was unloaded on the 5th.

Commissioner LANE. Now, take the next railroad.

Mr. PATTEN. The Chicago Great Western.

Commissioner LANE. Take the first four items.

Mr. PATTEN. The order was given to switch it on the 27th, the car was delivered at the elevator on the 30th, and was unloaded on the

30th. For the next car the order was given to switch to the elevator on the 26th, arrived at the elevator on the 30th, and was unloaded on the same day. The next car, ordered to the elevator on the 27th, arrived at the elevator on the 30th, and was unloaded on the 30th.

Now the Chicago and Eastern Illinois. Ordered to the elevator on the 7th, arrived on the 14th, and was unloaded on the 14th. Car ordered to the elevator on the 9th, arrived at the elevator on the 15th, and was unloaded on the same day. The next car ordered to the elevator on the 10th, arrived on the 15th, and was unloaded the same day. The next car ordered to the elevator on the 12th, arrived at the elevator on the 16th and was unloaded on the 16th. The Chicago and Eastern Illinois is one of the worst. They have a long switch, however.

The Northwestern's time here runs about two days. The first 4 cars were ordered on the 2d, arrived on the 5th, and were unloaded on the same day.

Commissioner LANE. You will file that statement with your testimony.

Mr. PATTEN. Yes, sir.

(The same is hereto annexed and marked "Exhibit No. 1 to Mr. Patten's testimony.")

The witness was excused.

GEORGE E. MARCY, called as a witness, having been duly sworn, testified as follows:

Mr. MARBLE. Your name is George E. Marcy?

Mr. MARCY. Yes, sir.

Mr. MARBLE. You are manager of the Armour Grain Company?

Mr. MARCY. President of the Armour Grain Company.

Mr. MARBLE. In active management of its business?

Mr. MARCY. Yes, sir.

Mr. MARBLE. That is a grain receiving company?

Mr. MARCY. Grain handling.

Mr. MARBLE. You operate elevators in this city?

Mr. MARCY. Yes, sir.

Mr. MARBLE. About how many cars of grain per year do you receive and unload?

Mr. MARCY. I could hardly make a guess at that; it depends upon crop conditions. Sometimes it might run 10,000,000 bushels; other times it would get up to 20,000,000 bushels.

Mr. MARBLE. Twenty million bushels would be 20,000 cars, would it not?

Mr. MARCY. Yes, sir.

Mr. MARBLE. Can you go ahead and make a statement, or have you prepared a statement relative to the time cars are held by your company in unloading, and delays in unloading?

Mr. MARCY. The request was made by Mr. Boyd that I make up a short statement. In making it up we took at random, in October and November, 113 cars. We did not pick out any special cars—we just took the books and took the first 113 cars we came to. We picked them out by taking some cars from October 5 to October 8, and October 20 to October 22, and November 11 to 13; November 26 to 28. That is, we took the first 113 cars we came to.

Mr. MARBLE. Was there any selecting?

Mr. MARCY. No, sir; we just took the car numbers and we looked up the report afterwards, and we have given you the records. There probably are some cases that might be a great deal worse, and some cases not so bad.

Commissioner LANE. And you have got a summary of that made up?

Mr. MARCY. Yes. We ordered 76 of these 113 cars on the same day we received the railroad notice. We ordered 19 of them one day afterwards; 17 of them two days afterwards, and 1 car three days afterwards. That is, we gave the road disposition to them.

We then checked up the railroad records to see the time of delivery to connecting lines, after we had given the orders on such cars as were sold to go to other industries or to other elevators than our own.

There were 58 out of 113 sold that way, and we find 2 of these cars were delivered the same day, 9 cars in one day, 16 cars in two days, 10 cars in three days, 3 cars in four days, 10 cars in five days, 1 car in six days, 6 cars in seven days, and 1 car in fourteen days. The balance of the cars, 55, were sent to our own elevators. These elevators are on the tracks of the roads which brought the grain in. They delivered 9 cars to the elevator one day afterwards; 19 cars two days afterwards; 12 cars, three days; 1 car, four days; 1 car, five days; 6 cars, nine days; 7 cars, seven days.

We unloaded them after they had been put in our yards as follows: Thirty-four cars the same day; 12 cars, one day; 7 cars, two days; 2 cars, three days.

In that connection I might say that I think this sheet, as they have made it up, really shows a better record than they have had for the last month or so.

Commissioner LANE. A better record so far as the railroads are concerned or you?

Mr. MARCY. So far as they are concerned, a better record for the roads in their handling of the traffic. The roads seem to be unable to handle our stuff at terminals with any degree of promptness. It causes a very bad delay and great injury to us as well as to people in the country.

Commissioner LANE. Does this react upon the farmer in the country to give him any less in the price of his grain?

Mr. MARCY. Not directly; where the loss comes in to the man in the country, he buys the grain from the farmer and sells it, and ships it in here. He is out his interest while the grain is being handled and unloaded, he is paid for it, so that there is a slight loss of interest.

Then in other cases grain deteriorates if it is in a car too long, especially new grain, corn like we have this year. Recently we had one car, just the other day, off the Burlington road. That road had neglected to deliver the car to the Northwestern road, and I think it was something like twenty days before the Northwestern road got the car. They took about three or four days to put it down to our elevator. When the car got there it was black on account of the delay. There are some losses which come along in that way. Then, of course, the country dealers lose by not having these cars unloaded and put back, so that they can reship more grain.

Commissioner LANE. Do you know the time that it takes after the grain is taken out of the car at your elevator for the car to get again

in circulation in the country? How long does it take to get out of Chicago?

Mr. MARCY. That is handled very promptly for the reason that the roads have their freight houses so badly blockaded with merchandise that they keep engines waiting right at the elevator, and almost the moment the car is unloaded they grab it and take it to some coal yard where it is needed for coal. The delay in taking empties away from the elevator is not very great.

Commissioner LANE. Why shouldn't they be as anxious to get the car to you, inasmuch as you unload it so quickly?

Mr. MARCY. They are just as anxious, but they do not seem to be physically able to do it. Really the roads are more anxious than the grain people themselves are to get the grain, or nearly as much so. Of course they have a mutual interest—both the grain men and the railroads—in making the work of unloading just as quick as possible. The last year or two it seems to be almost impossible for the roads to handle their terminals.

They seem to be handling more business or else they seem to have worn out their engines. At any rate they don't seem to be able to get them fast enough so as to take care of the increase in business. They have not side tracks enough, and they really seem to be demoralized not only here in Chicago, but the same thing applies to Milwaukee. I have had recently reports from our people in Milwaukee to the effect that they would have 15 or 20 or 30 cars out that they could not get into the elevator, and they would be out seven or nine days, right in the city of Milwaukee, and our people would have to wait to get the grain and beg the road to send cars down. It seems to be absolutely impossible for the roads to turn themselves around so as to set the cars for them to unload.

Commissioner LANE. Do you know anything about the situation in Galveston?

Mr. MARCY. No, sir; nothing.

Commissioner LANE. You do not ship anything through there?

Mr. MARCY. No, sir

Commissioner LANE. Did you mean that this statement was not quite fair to the railroads, that their delays have really been less than is shown here?

Mr. MARCY. No; I think it is more than fair to the roads. I think if you will take all the cars in October and November, and say even in December, I think the records would show a larger average of delay as far as the road was concerned than this statement shows. Of course that is simply the statement of an opinion in my mind, because I have had so much trouble in getting our stuff into the elevator. Just at the close of navigation we have been very anxious to get in all the grain we could so as to ship it away before the season closes, and we have had more or less trouble in getting our stuff in there, and I have formed my opinion from that and my general experience. This statement was made just at random.

Commissioner LANE. Will you file that with the Commission?

Mr. MARCY. Yes, sir.

(The same is hereto annexed and marked "Exhibit No. 1 to Mr. Marcy's testimony.)

Commissioner LANE. Are there any other questions?

Mr. MARCY. I might add that up to two years ago, when we bought

grain or ordered grain to our elevators, we always counted that the next morning that grain would be in our elevator yard and we would be ready to unload it, and we could count on it and make our arrangements accordingly; but last year and this year the reverse has been true. Now, we always count that it will be two or three or four or possibly five days before the grain will get around, figuring that the roads will be very much slower.

Mr. MARBLE. Mr. Marcy, have the roads carried more grain into Chicago this year than the previous year?

Mr. MARCY. No, sir.

Mr. MARBLE. Then, this great increase of business that we hear about is not in the grain business?

Mr. MARCY. No, sir; it is not.

Mr. MARBLE. About what is the average time that you take for unloading cars after you get them at the elevator, just to put it in one sentence?

Mr. MARCY. I do not think to exceed twenty-four hours.

Mr. MARBLE. And now, to put it just in one sentence again, what is the average time that it takes you to get grain to the elevator by the railroads after you give the order?

Mr. MARCY. I should think over the tracks of the roads on which our elevator is located, grain which comes in on those roads, three days; coming over the connections, five days to ten days.

Mr. MARBLE. Over tracks on which your elevators are located, three days, and over other roads, five to ten days?

Mr. MARCY. Five to ten days.

Mr. MARBLE. Mr. Patten, if the Commission desires, could you testify as to the conditions at New Orleans?

Commissioner LANE. Yes; we would like to know what the conditions are there and upon whom the responsibility rests.

Mr. PATTEN. I am not at all familiar with Galveston, but at New Orleans we have been doing business that way for ten years, the facilities of the Illinois Central (the only line with which we do business) are excedingly fine. The Illinois Central terminals at New Orleans are the finest, I think, in America. I do not think there can be any criticism of the Illinois Central road at New Orleans, and it is the only road we do any business with there.

JAMES BRADLEY, called as a witness, having been duly sworn, testified as follows:

Mr. MARBLE. You reside in the city of Chicago, and are a member of the Nye-Jenks Grain Company?

Mr. BRADLEY. Yes, sir.

Mr. MARBLE. You operate elevators here and receive carload shipments of grain and unload them at your elevators?

Mr. BRADLEY. Yes, sir.

Mr. MARBLE. About how many cars a year do you receive?

Mr. BRADLEY. Well, I could not say exactly.

Mr. MARBLE. Can you approximate it for the last year?

Mr. BRADLEY. I should say between 4,000 and 5,000.

Mr. MARBLE. Can you give the average length of time that it has taken you the last year to unload cars at your elevators after receiving them?

Mr. BRADLEY. We make it a point to unload on the same day.

Mr. MARBLE. Do you succeed in doing so?

Mr. BRADLEY. Almost entirely.

Mr. MARBLE. What proportion of the cars are an exception to that?

Mr. BRADLEY. Well, where the elevator is not in operation, and we have two or three cars to put into the yard, we will leave them over until the next day.

Mr. MARBLE. Not longer than until the next day?

Mr. BRADLEY. Not longer than until the next day.

Mr. MARBLE. And then it is because the supply of cars is so small that you consider it does not pay to start the elevator before the next day?

Mr. BRADLEY. Yes, sir.

Mr. MARBLE. That is all the delay you make?

Mr. BRADLEY. That is all the delay we make.

Mr. MARBLE. About what time is consumed after you give the order before getting the cars to the elevator?

Mr. BRADLEY. I should say from three to seven days.

Mr. MARBLE. Three days by what road?

Mr. BRADLEY. Near-by roads. Our elevator is located in South Chicago.

Mr. MARBLE. And it takes seven days from roads farther away?

Mr. BRADLEY. Yes, sir.

Commisioner LANE. You have facilities by which you can unload your cars within forty-eight hours always?

Mr. BRADLEY. Always.

Commissioner LANE. While the railroads have not got facilities by which they can deliver cars to you in the city short of fifty-six or seventy-two hours?

Mr. BRADLEY. No; they don't seem to be able to do that.

Commissioner HARLAN. Has it been worse this year than last year?

Mr. BRADLEY. Yes, sir; it has.

Commissioner HARLAN. It is a growing evil?

Mr. BRADLEY. It seems to be growing.

Mr. MARBLE. Have you any trouble in getting grain into the city promptly from the country—in the movement from the country?

Mr. BRADLEY. No; our receipts at the present time are very late, but we do not hear any complaint from our customers in regard to it.

Mr. MARBLE. Have you had any complaints this year as to that?

Mr. BRADLEY. No; we have not.

(The witness was excused.)

J. J. STREAM, called as a witness, being duly sworn, testified as follows:

Mr MARBLE. You are manager of the South Chicago Elevator Company?

Mr. STREAM. Yes, sir.

Mr. MARBLE. About how many cars of grain do you unload per year at your elevators, if you can approximate it?

Mr. STREAM. Fifteen thousand to 20,000 cars each year.

Mr. MARBLE. What would you say is the average time that you take to unload grain after receiving the car at the elevator before you release the car?

Mr. STREAM. The average time?

Mr. MARBLE. Yes.

Mr. STREAM. I would say twenty-four hours.

Mr. MARBLE. What is the average of the time that it takes you to get a car to your elevator after giving the order?

Mr. STREAM. To the railroad?

Mr. MARBLE. Yes.

Mr. STREAM. I could not say anything about the average time. I have got a little memorandum made up from my books that the boys drew up hastily showing the date the cars were ordered to the elevator, and showing the number of cars that arrived at the elevator after the orders were given, and showing the time.

Mr. MARBLE. Can you summarize that?

Commissioner HARLAN. What cars?

Mr. STREAM. The loaded cars set at the elevator to be unloaded. Those are the cars that were ordered—stuff that we had bought in the country.

Mr. MARBLE. May I read just a little of this?

Commissioner HARLAN. Yes.

Mr. MARBLE. This is "J. C. Schaffer & Co., October 1 to December 1, 1906."

Mr. STREAM. That covers cars that we had bought in the country, and that we had diverted to our own elevator.

Mr. MARBLE. That is all the business of that particular class?

Mr. STREAM. Of that particular class, yes.

Mr. MARBLE. You did not select these cars in order to show results?

Mr. STREAM. Not at all.

Mr. MARBLE. This disposition was given after inspection. That means that after the grain was inspected you gave orders to have the car taken to your elevator?

Mr. STREAM. Yes, sir.

Mr. MARBLE. Four hundred and fourteen cars the same day, 2 one day after, and 1 two days after?

Mr. STREAM. In other words, all the cars were ordered to the elevator the same day that they were inspected.

Mr. MARBLE. Now, tell us the time of delivery to elevator after disposition and order was given?

Mr. STREAM. Two cars same day, 80 cars one day after, 78 cars two days after, 63 cars three days after, 70 cars four days after, 47 cars five days after, 21 cars six days after, 20 cars seven days after, 3 cars eight days after, 3 cars nine days after, 10 cars ten days after, 4 cars eleven days after, 5 cars twelve days after, 4 cars thirteen days after, 1 car fifteen days after, 1 car seventeen days after, 1 car nineteen days after, 1 car twenty-eight days after.

Commissioner LANE. How many miles did those cars have to travel?

Mr. STREAM. Well, that will represent cars that came in on the Alton and on the Illinois Central. We usually order those to be delivered to the Lake Shore, and I think the mileage is less than 10 miles. I am not speaking positively now.

Commissioner LANE. Well, it is within 10 or 12 miles?

Mr. STREAM. Possibly that.

Mr. MARBLE. And they were unloaded at the elevator after receipt—the 417 cars—the same day?

Mr. STREAM. Yes; every car was unloaded the day it was set out there.

Commissioner HARLAN. Your experience in this matter of delay is that it is not caused by the grain men of Chicago, as I understand?

Mr. STREAM. No, sir; not at all.

Commissioner HARLAN. Are all their elevators suffering from about the same delay that you experience?

Mr. STREAM. Yes, sir; I think the others are also.

Commissioner HARLAN. Do you regard that as good service?

Mr. STREAM. I do not.

Commissioner HARLAN. What financial effect, if any, does it have upon your business?

Mr. STREAM. Well, if this grain is already sold and I have paid the profits on it, I am to a certain extent at the expense of the loss of interest, and at times we run very slow on delivery of this grain to the elevator and sometimes we get caught with our sales being cancelled, because the grain is not delivered to us in time for us to make delivery.

Mr. MARBLE. Does the element of deterioration of the grain enter into it?

Mr. STREAM. Yes; that is quite an element in it.

Commissioner HARLAN. And insurance?

Mr. STREAM. There is no insurance until we get the grain, but oftentimes the grain deteriorates in condition, and that causes us to suffer a very heavy loss. In the last week I think we have made a claim on the Lake Shore road aggregating over $500 on corn that had got hot and burned up.

Commissioner LANE. After all, you take it all out on the farmer at the end, don't you, in the price of the grain? It comes out of his pocket, don't it?

Mr. STREAM. No, sir; not where we buy grain on a particular grade. We buy grain to be graded here in Chicago.

Commissioner LANE. I don't mean that particular shipment, but subsequently you have to figure in this possible loss, and deduct it from what you can afford to pay at all?

Mr. STREAM. Well, of course we have got to get that back some way; yes.

The witness was excused.

E. B. BOYD, called as a witness, being duly sworn, testified as follows:

Mr. MARBLE. You reside in Chicago, and are traffic manager of the board of trade?

Mr. BOYD. I am manager of the transportation department of the board of trade.

Mr. MARBLE. Previous to this employment you were a railroad official?

Mr. BOYD. I was.

Mr. MARBLE. What office did you hold?

Mr. BOYD. General freight agent of the Rock Island.

Mr. MARBLE. How many years were you in the railroad business?

Mr. BOYD. About twenty-one.

Mr. MARBLE. And you served in other capacities than as general freight agent?

Mr. BOYD. Yes; I did.

Mr. MARBLE. Please tell us what they were, briefly.

Mr. BOYD. As clerk and as head of the traffic department, assistant general freight agent, and general freight agent.

Mr. MARBLE. Can you tell us what the reconsignment privilege in this territory is, in your own way, giving the reasons for such rules, the application of the rules and the effect thereof?

Mr. BOYD. So far as it pertains to the question of grain, the reconsignment privilege so called is necessary to the merchandising of grain at this market or at any other market that is a terminal one. Grain that arrives at a terminal market is here for the purpose of being sold. Those shippers who wish to consign on the open market do so through their commission house for the purpose of realizing the highest price that the elevator or the local industry or the exporter may wish to pay for it.

The grain arrives at Chicago and is supposed to be promptly inspected, and indeed it is in 90 per cent of the cases. Samples are brought on 'Change, and it is sold and the disposition order is given. That constitutes a reconsignment. The car, of course, must be consigned to somebody when it arrives here to notify for disposition.

The car at that time has made no extra movement. It is retained in the outer yard of the railroad, where they would, of their own motion, hold it after breaking up their train, and from that point it goes to the ultimate destination, wheher an elevator on that particular line or some other line, or some industry within the city. The movement completes the original haul for which the charge from the country point to the city is made and which that charge is supposed to cover. It is a continuation of their initial haul.

The reconsignment charge formerly was made on all grain leaving the line of the road that brought it in. That constitutes a tax, and it was added back to the country shipper. He frequently demurred and could not see why he should pay one rate for transportation and then, after the grain got to Chicago, pay another charge.

We succeeded in getting that taken off. To-day there is no charge of that kind assessed here; but in connection with that I would like to say something in reference to this transit evil. The transit evil, of which much has been said in this hearing and others, is largely exaggerated, especially when you come to the question of grain, and as applied to terminal markets. The question of transit has a much broader meaning than the one which is given to it by the so-called critics.

In this large city, whether it be grain or merchandise, coal, lumber, or coke, or any of the commodities in which a merchant may deal, if it is not allowed to come to the center, and from that center be distributed, there is absolutely nothing but a restraint and a restriction of trade that results, because no producer of a commodity of the soil will ever reach the consumer otherwise, and that is almost an axiom. If the public would realize that, and some of the railroads, that it is impossible for the producer to reach the consumer——

Commissioner LANE. You mean directly, without the intervention of a middleman?

Mr. BOYD. Yes; directly; without the intervention of a middleman. Take, for instance, the grain producer or the farmer. He has no concern as to whom he sells, or who it is that wants his grain

ultimately. He does not bother with that. His mind runs in this channel: "I have a bill to pay; my harvest is over, and I have got certain expenses. I take my grain to market and there is someone there to buy it. I do not know that the consumer is in the market, and I care less."

There is a big surplus flowing to each market—the great terminal markets—and the terminal markets receive that surplus and take their chances with the consumer. There may be no demand; there is none to-day. The export demand is practically nothing, and the domestic demand is filled. So the large terminal markets are the places where the surplus of the producer can be held, marketed, and disposed of to the best advantage of the purchaser and of the consumer.

Now, the points of location are matters of very great importance. Those points are determined by geographical position and the possession of ample facilities. Now, unless the rates, which are the prime cause of all the evils in the transportation matter that we have to-day, are so adjusted that in these large centers grain arriving, or commodities arriving, in here as surplus can be handled and redistributed without paying a penalty (as against some interior city that has no facilities whatever) then the through rate must be made so as to give these markets transportation without a lot of complicated rules such as this market to-day is laboring under.

I said once, in a statement that I made, that we are tied up here with $500,000 to $700,000 continuously, upon which interest must be repaid when the shipment goes through and which it costs the shipper 10 per cent to collect back after the transaction is all over, as if the shipper were to say to himself, "Well, I have paid 10 per cent, but I have got back my dollar."

These are the rules which the large market to-day (Chicago and all the other markets) is subjected to by the character of the rates that are made, and yet the proposition is made that the transit is the cause of the evil. It is impossible to handle the products from the producer to the consumer direct. You must stop them at some point. All these evils that have been charged against this market, and which have been charged to a great degree to the shipper, find their source in such arrangements. It is up to the railroads to say whether a uniform, modern method of rate making shall prevail instead of an antiquated method such as prevails to-day; whether the former or the latter shall be the rule. If the modern method is adopted, that will settle these problems and it will also settle a large portion of the delay which is now charged to that particular evil of transit.

Commissioner HARLAN. What should be your theory of rate making?

Mr. BOYD. I believe it is necessary to concentrate your rates at certain recognized terminal points for the distribution of goods. The indiscriminate making of through rates from all territory to all territory would produce a chaotic condition in which nothing but an expert—and I doubt if even he—would be able to familiarize himself with the rate.

If he can concentrate them, as at a relay station, at certain large centers, and then rebill your shipments, if the shipper desires to rebill

them, he is not then barred from that on the basis of two rates. It matters not whether you make them local or whether you make them proportional, or whether you make the through rate less than the two and then divide it again. For all practical purposes the division becomes two rates after all.

Commissioner HARLAN. That would divide the country into a series of zones.

Mr. BOYD. Yes; and another thing I want to call attention to is that while it divides the country into zones it gives to each zone the benefit of competing markets.

Just so long as the rates are so made that the nearest market only has access to the trade, just so long will you have monopoly, and just so long will the producer suffer. If the rates from the Northwest into Minneapolis are so made that the traffic must seek that gateway, as it will, then the market at that point will be benefited and will retain all that it possibly can. Likewise it will do the same if the rates were so adjusted in regard to Chicago or Kansas City or St. Louis. These zones of terminal points—if the rates are so made—they can be so adjusted relatively that the entire structure will be uniform. When you make through rates by other gateways the traffic is necessarily seeking the privilege of transit through those points. The result is you have got delay to your shipments. It starts in places that have no right to become markets, and if you can bring about a change in that situation, I believe that the car situation will largely solve itself.

Commissioner HARLAN. Can you put your views into some form very succinctly and submit it to the Commission?

Mr. BOYD. I will be very glad to. I have nothing more on that question. I want to call particular attention to this car shortage here and especially to the fact that the elevators have made these statements, which I have seen here, showing uniformly a record of, I think, safely speaking, 85 to 90 per cent of all the grain received, handled the same day it is tendered to their elevators.

I have gone into that carefully, and I have been before superintendents who seek to curtail the time, when their own records show that the delays are really not due to the elevator people, but that 1.6 days or, I believe, 1.7 days, the year in and the year out, constitute the detentions at the elevators in Chicago.

Mr. MARBLE. You have made it your business to seek to shorten that time?

Mr. BOYD. We have already said to the railroads that we would cut the time for disposition orders—that we would cut it twenty-four hours. We told them that, but we told them that if we had their delays cut down it would be unnecessary.

Mr. MARBLE. It is your observation then that this free time is not used by the grain men?

Mr. BOYD. It is not. The only reason we ask for that is owing to some exceptional cases, such as this: There comes a period every year that no one, not even the grain men or the railroad men, can control the movement of traffic in. The farmers unload when it suits them, and that creates congestion.

The business comes into Chicago in volumes that neither the railroads can handle promptly, nor the elevators, and that makes it

impossible to unload each day, and we have had given us five days for the privilege of holding cars to meet just such situations as that, as a sort of reserve time. Now it is the intention to cut out three of those five without making any provision whatever in case of emergency, and with the statement that they must enforce whatever they do, and can not vary it. That would create a hardship here and should not be done in my opinion, unless some provision is made to take care of those emergencies, because it is beyond the power of the human mind to conceive what is going to happen in the future, and railroads can not help it as they are constituted, and neither can the grain people.

Mr. MARBLE. Did you make any statement or any estimate of the importance of those emergencies and the amount of them in the past?

Mr. BOYD. I would not care to just at the moment, because it requires some preparation. I have known a time when hundreds and hundreds of cars of grain were held on the Rock Island road in the city of Chicago, waiting disposition.

Mr. MARBLE. Can you, from your experience as a railroad man, make any suggestion, or offer any plan by which the movement of freight cars could be stimulated?

Mr. BOYD. I believe if the railroads would move each twenty-four hours that which has been given them for transportation during that twenty-four hours, and do it promptly, without regard to whether they have a full tonnage or not, it would certainly afford a great aid. To this holding of cars at various points waiting for tonnage, for the completion of the maximum tonnage for that particular engine, is largely attributable these delays and this congestion when it comes.

Commissioner HARLAN. In other words, your theory is to apply the same theory that is applied to passengers. The passenger train goes at a fixed time, whether it has 500 passengers or 50 passengers, and your idea is that the freight train should go, whether it has 25 cars or 10?

Mr. BOYD. Certainly, the channels of traffic should be kept open, and as fast as a delivery is made by the public it should be taken care of. Not necessarily run so many trains, but there should be a service which would clean up each day, if possible, that which is given them that day, instead of holding it over to the next day in order to make a certain amount of tonnage.

Mr. MARBLE. It has been said that the very heavy loading of engines increases the total movement of freight, and was necessary for the public good.

Mr. BOYD. That has been said, and it is true in a way, but it all depends on your view point. You may increase the tonnage of your engine, and increase behind it your load, but if you don't move that load what do you accomplish? You start off with no reserve force, and if there should come an accident to the train and you can not overcome it, or make it up by running a little faster, you can see how constantly you will be going downhill. That is the trouble with overloading your train or engine. If they are not given an opportunity to make up time in case of an accident the result is once delayed, always delayed, and there is no chance of making it up.

Commissioner HARLAN. You have not made any statement as to the average delay of carriers in setting cars at the elevators, have you?

Mr. BOYD. Only those which have been offered here to-day.

Commissioner HARLAN. You have not made any other statement?

Mr. BOYD. No.

Commissioner HARLAN. Have you any statement to make?

Mr. BOYD. No; I would not have unless I could gather the information from each elevator, and that has been done.

Mr. MARBLE. Is there anything further that you wish to offer in regard to the overloading of engines, from your previous experience?

Mr. BOYD. I do not know that it has any particular bearing on the case, except that the instance which I am about to mention, was, in my opinion, an illustration of the method referred to of handling business and its results.

At one time we were working under the so-called Hill theory of tonnage, by which everything should move in one train, if possible, and we had occasion to make an investigation on the Rock Island, and in passing over one division inquiry among the agents resulted in the discovery of the fact that several cars had been on the track four or five days waiting movement, waiting for full tonnage; that there had been full trains in one direction and empty trains in another. In some cases it had resulted in the grain deteriorating, and we were somewhat at a loss to know what measure of relief could be afforded to the shipper.

Inquiry into the details developed this fact: The train sheets were made up so as to show a full movement behind each engine, and where a return crew (that is, an engine and a caboose) went from one terminal back to another, that was not considered a train, but if any tonnage in the way of surplus was added to that train in order to clean up, and it was not a full complement, that became a train of deficit, and, of course, an explanation was required.

I have every reason to believe that that condition prevails in a great many more places than the one we discovered. An engine passed the station four days in succession, with nothing behind it, and yet the cars could not be taken up, because it would make a short train. That, however, no longer obtains.

Mr. MARBLE. You mean it no longer obtains on the Rock Island road?

Mr. BOYD. No, I think not; our reports show very good service, and I know they went out of their way to bring cars into the Northwest, involving an empty haul, in order to clean up that condition there which had been reported to us, and I know their road is running now in very good shape.

Mr. MARBLE. To your knowledge has that plan of heavy tonnage, in order to get figures of a great many ton miles per train mile traveled, been adopted by railroads other than the Hill roads, and afterwards abandoned?

Mr. BOYD. I think it was adopted by a great many and discarded. Every superintendent seeks to get the limit out of his engines. The question is where to draw the line. It has not been adopted in such extreme measure as it was in the past. I am sure it has been broken away from, because it is not applicable to the present traffic condition in this territory. That was a case of tonnage gone mad. The shadow still remains.

Mr. MARBLE. But the difference between these roads and the Northwestern road is that these roads are largely competitive.

Mr. BOYD. Largely competitive, entirely so.

Mr. MARBLE. And you regard this method of operation as impracticable in competitive territory?

Mr. BOYD. I do.

Mr. MARBLE. Do you know whether it still obtains on the northwestern roads in noncompetitive territory?

Mr. BOYD. That is my information.

Mr. MARBLE. On the Great Northern and Northern Pacific?

Mr. BOYD. That is the complaint we get.

Mr. MARBLE. You get that complaint?

Mr. BOYD. From the shippers, yes; they come in and talk about it.

F. H. HARWOOD, called as a witness, being duly sworn, testified as follows:

Mr. MARBLE. You are with the Illinois Central Railway?

Mr. HARWOOD. Yes, sir.

Mr. MARBLE. In charge of the coal traffic on that road?

Mr. HARWOOD. Yes, sir.

Mr. MARBLE. Have you had cars enough to move your traffic this year?

Mr. HARWOOD. No; I can not say that we have had cars enough for the amount of business offering.

Mr. MARBLE. How far behind would you say that your road is as to the number of cars?

Mr. HARWOOD. That is a difficult matter for me to say, for the reason that there are so many shippers that have duplicate orders, and it is impossible to figure out just exactly how many cars are needed.

Mr. MARBLE. You think that really you are so far behind as the figures would seem to show?

Mr. HARWOOD. Yes, sir.

Mr. MARBLE. That is your point?

Mr. HARWOOD. Yes, sir.

Mr. MARBLE. Have you had trouble with the slowness of movement of your cars after getting the coal into them this year?

Mr. HARWOOD. Very little; our coal moves very promptly. The maximum haul is from what we term the Carterville district, 320 miles from Chicago, and while there are occasional cases where the cars are delayed by reason of bad weather conditions, as a general proposition the movement is accomplished in from two to four days.

Mr. MARBLE. From two to four days for the 320-mile haul?

Mr. HARWOOD. Yes, sir.

Mr. MARBLE. How many division points do you pass through?

Mr. HARWOOD. Two.

Mr. MARBLE. How much of that time is consumed at the division points?

Mr. HARWOOD. So far as I know—I am not thoroughly familiar with the operations of those points—but I should judge that the delay at these terminal points will not exceed twelve hours.

Mr. MARBLE. Twelve hours in each?

Mr. HARWOOD. We only pass through one division point.

Mr. MARBLE. Are the cars handled by your company in this city used for warehouse purposes?

Mr. HARWOOD. We feel that they are.

Mr. MARBLE. Will you express yourself on that point as to the amount of that evil, and as to the best course to remedy it—any remedy you can suggest?

Mr. HARWOOD. As a rule, coal hauled into Chicago is under a reconsignment arrangement. There are very few dealers that consign their coal direct to the consumer. There are several reasons for that, one being that they want to avoid allowing the operator to know to whom the coal is to go, for fear that operator will sell the coal direct. Another reason is that so many of the dealers or brokers will possibly overlook a contract, and in the event of a shortage of cars, they use the reconsigning for distributing their coal. I have a list showing that during the month of October we brought into Chicago 7,528 cars, and of that number there were 5,975 cars reconsigned, showing that there was only a total of 1,553 cars billed direct from the mines to the consumer.

During the month of October the average free-time limit in Chicago was five days. That is, the dealer had the privilege of holding the car five days on the track before reconsigning.

After he reconsigned the car it would take from twenty-four to forty-eight hours to switch it out from the yard and pick it out from 1,500 to 2,000 cars, those particular individual cars, and make a delivery to the final point or destination, whether for team track delivery, or whether for industries on our line or connecting roads. Then there was a certain amount of delay or time consumed by the delivering road in placing those cars, and after they were once placed forty-eight hours was allowed for the unloading. So that in reality on a great portion of the coal delivered to Chicago, after it arrives, and the cars are made empty, and the empties delivered back to our line, it consumes anywhere from six to fifteen days, and even twenty days.

Mr. MARBLE. You mean that free time was used?

Mr. HARWOOD. That free time was used in a great many cases; I think in a majority of cases.

Commissioner HARLAN. And that was without any cost?

Mr. HARWOOD. And that was without any cost. During the last thirty days the free time on the Illinois Central has been reduced from five to three days, and, effective on Monday, a reconsigning charge of $2 per car will be inaugurated. We feel that under that arrangement coal will be billed direct from the mines to the consumer, so that when it arrives at Chicago, instead of going into the "hold" yard, with 1,500 or 2,000 other cars, it will go direct to the user, thereby getting better results from our equipment, and enabling us to handle more tonnage.

Commissioner HARLAN. You heard the statement made this morning that forty-eight hours would be sufficient?

Mr. HARWOOD. Yes; and probably forty-eight hours would be sufficient time.

Commissioner HARLAN. If that is so, and if you believe that that is all the time required, why should you put the blame on the consignees for holding up the cars?

Mr. HARWOOD. For this reason: The coal industry is not one of competition between roads operating from the same district, but it is a commercial competition that has one railroad operating from West Vir-

ginia, handling the West Virginia product or the Ohio coal into Chicago, and that coal comes into competition with coal from Illinois off the western roads, with a like privilege of five days' reconsigning time, and if the western roads would adopt the rule of forty-eight hours it would very soon transfer a large volume of traffic to the eastern mines.

Commissioner HARLAN. Do you agree with Mr. Daly that it would be best to have some power impose a uniform rule?

Mr. HARWOOD. I think it would be a good plan. Mr. Daly, I believe, stated in regard to the free time at Chicago, that it would be reduced if the roads would get together and form an agreement. We can not do that very well, but we have taken independent action and some of the other lines have followed and reduced the time, irrespective of eastern competition. We have done that to get better results, and believing that we would.

I would like, however, to call attention to one thing, and that is, why there should be a shortage at this particular time. From my personal knowledge, the western dealers, all through the western country, wait until the cold weather sets in before ordering coal. They make no provision whatever to put coal in storage during the summer months, when there is a large surplus of equipment. The same is true as to coal used for the production of steam in the large centers. The conditions of business have enabled them to build up their manufacturing points, taking away yard room that was formerly used for the storage of fuel, and you will find that in a great many cases the manufacturer will store six months' or a year's supply of raw material, but will altogether overlook the fact of the necessity for a fuel supply.

Commissioner HARLAN. Isn't it quite necessary that they should rely upon you to accommodate yourself to them instead of accommodating themselves to you? Why should they tie up this money from July to January?

Mr. HARWOOD. We tie up our money in the matter of storing coal during the summer time in order to have that coal to use in the winter, and that would be nothing less than reciprocity on their part to also provide storage.

Commissioner HARLAN. I do not say that they should not, but it is natural that they should look to you to supply the cars at the time when they want them. That is the way they feel about it.

Mr. HARWOOD. Very true.

Commissioner HARLAN. Well, do they use your cars as storehouses?

Mr. HARWOOD. Practically; the free time given amounts to a storage privilege.

Commissioner HARLAN. How long a time do you give them to unload the cars?

Mr. HARWOOD. Everyone has forty-eight hours after they are placed.

Mr. D. A. SAGE (a coal merchant residing in Chicago). May I ask a question?

Commissioner LANE. Yes; what is it?

Mr. SAGE. Mr. Harwood in his testimony refers to the issue of December 18. I would like to ask this particular question in regard to this tariff. (Witness refers to the Illinois Central Railroad Supplement No. 3, to Interstate Commerce Commission No. E–624.)

Perhaps I had better read it. It reverses the above-described tariff in so far as concerns shipments of soft coal in carloads from points in Illinois and Indiana:

Refer to above-described tariffs, and so far as concerns shipments of soft coal, carloads forwarded from points in Illinois and Indiana, cancel reference therein to Chicago, Ill., in list of exceptions, as orders reconsigning soft coal, carloads, handled by the Illinois Central Railroad into Chicago, Grand Crossing, Fordham, Kensington, Wildwood, Riverdale, Harvey, West Pullman, Blue Island, Windsor Park, Cheltenham, and South Chicago, Ill., from points in Illinois and Indiana, except from off the Cleveland, Cincinnati, Chicago and St. Louis Railway, will not be accepted unless accompanied by a remittance covering a reconsigning charge of $2 per car, plus any and all accrued car service or demurrage charges.

The question I wish to put to the witness is simply this:

Why is there an exception in regard to coal coming except by the Three C's and St. L.? Why is there an exception, and why is this tariff not in violation of the rules of the Interstate Commerce Commission for the reason that it is discriminatory as against the shipper?

Commissioner LANE. The last question will be reserved for the Commission to answer. As to the first part of the question, as to the reason for putting that tariff in, it is all right.

Mr. HARWOOD. In regard to eliminating the Big Four from that arrangement?

Commissioner LANE. Yes.

Commissioner HARLAN. I would like to have that rule translated into plain English. What does it all mean?

Mr. HARWOOD. It means that on next Monday we establish a reconsigning charge of $2 a car on all coal arriving in Chicago over the Illinois Central Railroad, except on interstate traffic from Indiana, on which the time is effective January 19.

Commissioner HARLAN. There is a special road mentioned there.

Mr. HARWOOD. That is the Big Four, operating into Chicago over our tracks from Kankakee. Under the terms of the contract, as I understand, between the Big Four and Illinois Central they have the same rights over our tracks and on our terminals as we have, and it also provides, I think, that we have no voice or no right to establish any rules with regard to Big Four business without their consent.

Commissioner HARLAN. Then it does not result in giving coal over that road a benefit that is not enjoyed by other coal, does it?

Mr. HARWOOD. Just the same as it gives the benefit to the coal coming over the Pennsylvania, the Baltimore and Ohio, the Lake Shore, and all the eastern roads. They have not adopted this rule. They allow four days' free time without any reconsigning charge. The Big Four handle exclusively eastern coal into Chicago over our tracks from Kankakee to Chicago, which does not originate in Illinois.

Commissioner HARLAN (addressing Mr. Sage). You can raise that question at any time you wish before the Commission as to the legality of that charge.

Mr. SAGE. I have already done so. One more question: May I be permitted to ask if the Illinois Central is in any way concerned in the operation of coal mines as a corporation, or are there individuals in the employ of the Illinois Central who are interested, directly or indirectly, in the operation of coal mines on the Illinois Central road?

Mr. HARWOOD. I handle the coal traffic on the Illinois Central. I

am not familiar with the question which Mr. Sage has asked and I can not answer it.

Mr. SAGE. So far as your knowledge goes, then, you have no knowledge of any such situation?

Mr. HARWOOD. I have no knowledge of it.

Commissioner HARLAN. You are not yourself interested in any coal mines?

Mr. HARWOOD. Most certainly I am not; not in anyway whatever.

Commissioner HARLAN. Do you know whether Mr. Daly is?

Mr. HARWOOD. I do not know, but I do not think he is.

Mr. DALY. The answer to that is that I am not.

Mr. SAGE. May I be permitted to say to the Commission that it is considered to be a fact that the Illinois Central for a number of years has been engaged in the operation of coal mines in competition with these shippers and the operating interests of their own road.

Commissioner LANE. I will say on behalf of the Commission that we are to open an investigation upon that matter probably in January or February here, and you can present to us at that time any facts of which you may be aware, and we will be very glad to have them. They will be in turn reported to Congress.

Mr. MARBLE. Have you moved more coal into this city this year than last?

Mr. HARWOOD. I think our records will show about the same movement. I do not think it has increased.

The witness was excused.

E. F. ROSENBAUM, called as a witness, was duly sworn and testified as follows:

Mr. MARBLE. You are a memeber of the Rosenbaum Grain Company?

Mr. ROSENBAUM. Yes, sir.

Mr. MARBLE. In charge of its business?

Mr. ROSENBAUM. Acquainted with its business.

Mr. MARBLE. Have you prepared figures relating to the time which it takes your firm to unload grain cars in this city?

Mr. ROSENBAUM. I have the figures; yes, sir.

Mr. MARBLE. What is the average of the time which it takes to unload grain after it is placed at your elevator?

Mr. ROSENBAUM. I have here a list of 126 cars taken at random, in which it has taken from one day to seventeen days for the road to deliver after the disposition order was given. The disposition order was given on the same days that the cars arrived here and these cars were unloaded the same day that they were delivered to the elevator.

Commissioner HARLAN. What period does that cover?

Mr. ROSENBAUM. It covers the period principally of November and December.

Mr. MARBLE. How did you select those cars—so as to show extreme cases of railroad delay?

Mr. ROSENBAUM. Those cars were selected without instructions in the office. They were told to go to the books and take out a few cars from each week without any reference to the number of the car.

Commissioner HARLAN. These cases are typical of the service you have had during these two months?

Mr. ROSENBAUM. Yes, sir.

Mr. MARBLE. They are not extreme cases?

Mr. ROSENBAUM. They are not extreme cases.

Commissioner LANE. And there was no delay on your part in unloading at the elevator?

Mr. ROSENBAUM. The average during the month of July at the Irondale Elevator in South Chicago—during the month of July we handled about 80 per cent of the cars the day they were delivered. During the months of September and October we unloaded about 90 per cent the day they were delivered. In November and up to date we have unloaded about 100 per cent the day they were delivered.

Mr. MARBLE. And the remaining percentage would stand simply until the next day?

Mr. ROSENBAUM. It might be the next day, or it might be two days, but practically all within the five-day period.

Mr. MARBLE. Have you paid some demurrage?

Mr. ROSENBAUM. We have paid demurrage occasionally.

Mr. MARBLE. How many cars do you unload in the course of a year?

Mr. ROSENBAUM. I could not give you that.

Mr. MARBLE. Can you approximate it?

Mr. ROSENBAUM. No; I would not like to approximate it.

Mr. ROSENBAUM. Well, I should say up to date that we have unloaded in Chicago, since the 1st of July, in all our elevators, possibly 8,000 cars.

Commissioner HARLAN. Mr. Rosenbaum do you regard that service by the railroads as good service?

Mr. ROSENBAUM. No, sir.

Commissioner HARLAN. Has it caused you any financial loss?

Mr. ROSENBAUM. The local service has caused us a very little financial loss. It is the service in the country, and in the Southwest that has caused us financial loss.

Commissioner HARLAN. That is, delays in transit?

Mr. ROSENBAUM. Delays in getting equipment at our country stations. At the present time we are practically closed down in Oklahoma and Kansas. Our elevators are full, and in many instances we have grain on the ground.

Commissioner HARLAN. How much grain do you suppose you have on the ground?

Mr. ROSENBAUM. I could not give you that. I expected to be here this afternoon, and not this morning, and consequently I have not all my figures with me, but it is safe to say that we have grain on the ground at possibly eight stations and that it will run very little less than several thousand bushels.

Commissioner HARLAN. Are all the elevators in Oklahoma and Kansas practically filled?

Mr. ROSENBAUM. They are all in the same boat.

Commissioner HARLAN. Not only of your own company, but of the other line companies?

Mr. ROSENBAUM. Every line company is practically in the same shape.

Commissioner HARLAN. Can you stop buying grain out there?

Mr. ROSENBAUM. In Oklahoma we have stopped buying grain to a very large extent.

Commissioner HARLAN. When you buy grain and put it on the ground, you buy it with a safe margin, having that in view?

Mr. ROSENBAUM. We don't buy it to put it on the ground. When we contracted for this grain we expected to have room in the elevators to take it in. Possibly we had heard that there was an empty somewhere. When the farmer brought it in we had contracted it to him. He needed the money and there was nothing else for us to do except to pay him and take the grain.

Mr. MARBLE. Does this congested state result of necessity in your paying a smaller price to the farmer than you would pay if you had transportation facilities?

Mr. ROSENBAUM. Certainly.

Mr. MARBLE. About what would you say per bushel has this year been taken off of the price to the farmer?

Mr. ROSENBAUM. At least 2 cents per bushel.

Mr. MARBLE. That would be $20 a car?

Mr. ROSENBAUM. Yes, sir. And after we get the equipment, after waiting maybe thirty days at a station, we wait another indefinite period before it is delivered.

Commissioner HARLAN. You have to wait some time before it is moved?

Mr. ROSENBAUM. It will stand on the track sometimes two, three, or four, or five days.

Commissioner HARLAN. You are not able to get any cars to move grain with down in Texas now at all, are you?

Mr. ROSENBAUM. None at all. There are many embargoes out. Some of them have been canceled during the last week or so.

Commissioner HARLAN. What is the reason for that congestion down there?

Mr. ROSENBAUM. Congestion of cotton in Galveston.

Commissioner HARLAN. Has cotton been diverted to Galveston this year rather than going to New Orleans or Port Arthur, or any of the other points?

Mr. ROSENBAUM. I don't know whether there has been any diversion, but the amount that has been tributary to Galveston has been such as to swamp them. We have been attempting to move grain that has already arrived within the Galveston district to the elevator, and it has taken from three to ten days to get grain to the elevator after it has arrived at Galveston. Previous to arriving at Galveston it might have been in transit, a great deal of it, as much as thirty days from the Indian Territory, and previous to that time we have waited as much as thirty days to get a car. This, of course, has caused a large loss.

Commissioner LANE. Now, do you know the Galveston situation as to terminals?

Mr. ROSENBAUM. Why, fairly well, but more particularly, however, with reference to the Southern Pacific terminals on which our elevator is located.

Commissioner LANE. Are they adequate?

Mr. ROSENBAUM. I think they are. I think the Southern Pacific terminals are. We have always found up to this year that we were able to unload more grain than could be delivered to us, with exceptions on several occasions, owing to congestion when we would not

receive any grain for four or five days, and then possibly 300 or 400 cars would be delivered in one lump.

Commissioner LANE. Whose cars are those that are tied up, these 4,000 cars? They wire us that there are 4,000 cars tied up in Galveston. On whose tracks are they?

Mr. ROSENBAUM. What tracks?

Commissioner LANE. Are all the roads coming in there congested?

Mr. ROSENBAUM. All the roads are congested. As I say, we have grain coming in on all the roads that are laying in Galveston, and we get just as prompt service from one as from another.

Commissioner LANE. The chamber of commerce telegraphs to us that their wharves are clear, and that there are plenty of vessels waiting there, but that freight is delayed in its movement up to the wharves.

Mr. ROSENBAUM. That is the trouble, the freight is not moved to the wharf.

Commissioner LANE. Why isn't it?

Mr. ROSENBAUM. I don't know. Two weeks ago we had a boat waiting there and had the grain on the outskirts of the town and could not get it to the elevator. It was impossible to move it.

Mr. BOYD. I would like to ask Mr. Rosenbaum to state his experience in the way of losses by demurrage and detention of vessels because of inability to get grain to the port in order to fill his contracts.

Commissioner HARLAN. You refer to the port of Galveston?

Mr. ROSENBAUM. We paid as high as $10,000 in one year at Galveston to divert boats from Galveston to other ports, owing to the inability of the roads to deliver the grain there.

Commissioner HARLAN. What year was that?

Mr. ROSENBAUM. Three years ago; and this year we have already spent $2,000 in demurrage for which, of course, there is no redress so far.

The witness was excused.

T. J. HUDSON, called as a witness, was duly sworn, and testified as follows:

Mr. MARBLE. You are the general traffic manager of the Illinois Central Railroad?

Mr. HUDSON. Yes, sir.

Mr. MARBLE. Mr. Hudson has prepared certain figures at my request, and he will explain what those figures are, and their purport.

Mr. HUDSON. Mr. Daly was before you gentlemen yesterday, representing our company, and he has just handed me some figures which he wished me to submit to you. Their purport is that they go to show that we have kept pace with the growth of business in the way of building cars.

The years 1903 to 1906, inclusive, our company has either purchased or built 20,254 cars. We own to-day, in round numbers, about 62,000 cars, so you see that is about one-third.

Commissioner LANE. Your capacity is much larger?

(The same is admitted in evidence and marked "Exhibit No. 1" to Mr. Hudson's testimony.)

Mr. HUDSON. I have here also a statement, which I will hand to you, being a comparative statement of the traffic facilities for fifteen

years, which enters into this matter very extensively, and which I think will be of great value to you, perhaps, in getting at what you want.

Commissioner LANE. Are those the figures that were given by Mr. Fish?

Mr. HUDSON. Part of them. I do not understand that they are the identical figures. Some others have been added, and some perhaps taken out, but they are on the same line. I do not think it will be necessary to say anything about that further than to submit them to you.

Commissioner LANE. How about the locomotives? Have you got the figures on them?

Mr. HUDSON. As to locomotives, we have, in the same period, from 1903 to 1906, purchased 236 locomotives.

Commissioner LANE. Have you anything there showing your appropriations during the same period for roadbed and terminal facilities?

Mr. HUDSON. No, sir; they are not shown on here.

Commissioner LANE. Have you any idea now of what that appropriation has been?

Mr. HUDSON. No, sir; I could not say. That is not in my department, and consequently I would not be able to give any information on that. This shows, of course, the facilities in the way of tracks that have been built during that time. It don't go into dollars and cents, but it gives the percentage of increase in these various matters.

Commissioner HARLAN. Well, will you be kind enough to leave those with Mr. Marble, and let him make them a part of the record. Those are self-explanatory, I believe?

Mr. HUDSON. Yes, sir.

(The same are received in evidence and marked "Exhibit No. 2" to Mr. Hudson's testimony.)

Commissioner HARLAN. Is there any other matter you want to state to us, Mr. Hudson?

Mr. HUDSON. No, sir; I don't think so, unless you desire to ask me any questions. I was subpœnaed here.

Commissioner LANE. Have you a remedy to suggest for the congestion which is now found, speaking now with respect to your own road and others, as an expert railroad man?

Mr. HUDSON. Well, I think that advancing the per diem charge would have a very good effect in a dual capacity—that is, of forcing the railroads who have not got the cars to build them, and also of returning to other roads their cars, because the borrowing roads could not afford very well to pay per diem, say, of $1. It is now 50 cents, as you know, or most of the roads have gone into that 50-cent arrangement. That would have some effect, we think, of getting the cars back to their owners, where they belong, and if it is made $1 we think it will have a much better effect. Then, of course, there is the question of facilities of the consignees and shippers. These people have gone on building plants, but they don't provide storage facilities nor trackage facilities, and the consequence is that the cars are forced back into our terminal yards here, and sometimes we have had as high as 3,000 or 4,000 cars standing there that we could not deliver to connections because they could not get them up to the tracks of the

different plants. They have facilities for taking care of 10 or 15 or 20 cars, while they will have 50 or 60 cars waiting to go onto their tracks.

We do not know of any way to obviate that, except to keep after them all the time and try to get them to increase their facilities. Some of these plants have been forced out of the large centers and have moved out to the suburbs. Some of them have gone into smaller cities, like Kankakee, absolutely forced to do so—forced out of their places here in order to get those facilities which they can not get here. They can not get those facilities here on account of the increased size of their plants and the cost incident to obtaining ground.

Mr. MARBLE. I have heard the statement made that the change from the old mileage charge on cars to the 20 cents per diem increased the movement of freight cars very materially. Do you know whether that is true or not?

Mr. HUDSON. Increased the movement?

Mr. MARBLE. Yes. Stimulated the movement. That the cars actually moved more miles, whether on the home route or a foreign one.

Mr. HUDSON. I will ask Mr. Daly to answer that, as he is more conversant with such matters.

Mr. MARBLE. How about that, Mr. Daly—did the change from the mileage rate to the per diem materially stimulate the movement of freight cars?

Mr. DALY. Yes, sir; it did. The 20 cents per diem very materially improved the movement of cars, especially during the dull months. It kept the cars at home in the summer, so that we could repair them and put them in good condition, and it also resulted in giving us more of our cars during all seasons of the year, and 20 cents is only about one-fourth or one-fifth of what the value of the car is. It should be much higher.

Mr MARBLE. Do you know what the percentage of increase of movement resultant from that per diem was?

Mr. DALY. It went from about 19 to 20 miles per day up to about 25.

Mr. MARBLE. Then you would say there is warrant for the hope that the imposition of a per diem that would be in the nature of a penalty rather than a rental for a car would have still more beneficial results?

Mr. DALY. It certainly would.

Mr. HUDSON. There is one other feature with reference to which the railroads are all moving in one direction, and that is, the cutting down of the unloading time for cars, so as to force shippers to send their shipments direct to the consignees rather than send them for reconsignment. In the latter case they have had to be switched and rehandled, and we have been doing that service for nothing. Now, the railroads are thinking of arranging to put in a $2 charge or something of that kind for reconsigning, which we think will have a good effect. We do not do that to punish the consignees at all; on the contrary, it will be to their advantage, because it will enable us to handle their business more promptly.

Commissioner LANE. Is there any way by which the consignee can put some charge on you so you will deliver the cars promptly?

Mr. HUDSON. I do not know, sir. So far as we are concerned to-day,

I want to say that we are in a normal condition. We have got more power than we have cars to move, and there is no trouble in the handling of cars on the Illinois Central Railroad that I have been advised of after we get the disposition of them. While I have a great many complaints on account of shortage of cars, it is very rarely that I have a complaint as to their movement; in fact, I have not had one for several weeks. It shows a very good condition in that respect on our line of road.

Commissioner LANE. I think, with profit, you might very well be transferred to some other lines of which we have heard.

Mr. MARBLE. Now, while there are many other witnesses in Chicago, whom perhaps you would like to hear, their testimony would be largely cumulative.

Commissioner LANE. We have no more subpœnas out, have we?

Mr. MARBLE. No, your honor. The figures from Bartlett, Frazier, and Carrington I will put in the record, and the figures referred to by Mr. Marcy, showing the unloading time.

Commissioner LANE. Is there any gentleman representing either the shippers or the railroads who desires to be further heard?

(No response.)

Commissioner LANE. This hearing is adjourned.

Thereupon, at 1 p. m., the Commission adjourned.

STATEMENT OF PAPERS FILED IN CONNECTION WITH TESTIMONY TAKEN IN CAR-SHORTAGE INVESTIGATION AT MINNEAPOLIS, MINN., DECEMBER 17, 18, AND 19, 1906, AND AT CHICAGO, ILL., DECEMBER 20 AND 21, 1906.

S. Doc. 333, 59-2——31

STATEMENT OF PAPERS FILED IN CONNECTION WITH TESTIMONY TAKEN IN CAR-SHORTAGE INVESTIGATION AT MINNEAPOLIS, MINN., AND CHICAGO, ILL.

Record file No. 1.—Jamme, L. T., secretary Chamber of Commerce of Minneapolis, Minn.

Comparative statement of receipts of the Chicago, Milwaukee and St. Paul Railway Company, Chicago, St. Paul, Minneapolis and Omaha Railway Company, Minneapolis and St. Louis Railway Company, Wisconsin Central Railway Company, Great Northern Railway Company, Northern Pacific Railway Company, Chicago Great Western Railway Company, Chicago, Burlington and Quincy Railway Company, Minneapolis, St. Paul and Sault Ste. Marie Railway Company, and the Chicago, Rock Island and Pacific Railway Company, for the years 1903, 1904, 1905, and 1906. (Exhibit 1.)

Record file No. 2.—Moore, H. B., secretary Duluth Board of Trade, Duluth, Minn.

2. Letter dated November 20, 1906, from H. B. Moore, to the Great Northern Railway Company, Northern Pacific Railway Company, and the Chicago, St. Paul, Minneapolis and Omaha Railway Company, complaining of delay in movement of grain destined to points at the head of the Lakes. (Exhibit 1.)

2–1. Copy of reply of E. C. Blanchard, superintendent, Northern Pacific Railway Company, dated November 21, 1906, to Mr. Moore's letter giving assurance that everything possible would be done to relieve the condition complained of. (Exhibit No. 2.)

2–2. Copy of letter of D. M. Philbin, assistant general superintendent Great Northern Railway Company, dated November 22, 1906, in answer to Mr. Moore's letter, stating that Great Northern Railway will use every effort to provide necessary transportation facilities, and that delay had been due to congestion at Superior and Duluth caused by increase of business and difficulty in securing trainmen to handle yard traffic. (Exhibit No. 3.)

2–3. Letter, dated December 15, 1906, to H. B. Moore, from McKindley & Nicholls, of Duluth, Minn., in regard to delay in movement of grain shipped by them, and inclosing statement showing the date they were advised of shipment, date of inspection, car initials, and car number. (Exhibit No. 4.)

2–4. Statement of Minnesota Grain Company, giving instances of delay and complaining of insufficient transportation facilities. (Exhibit No. 5.)

2–5. Letter, dated December 15, 1906, from William Dalrymple, of Duluth, Minn., to H. B. Moore, inclosing list of cars shipped to him over various lines, and giving dates of shipment, shipping points, car number, date unloaded at elevator, and number of days such shipments were in transit. (Exhibit No. 6.)

2–6. Letter, dated December 15, 1906, from Grain Producers' Elevator Company, of Duluth, Minn., to H. B. Moore, stating the number of cars shipped to them which were twenty days or more in transit. (Exhibit No. 7.)

2–7. Letter, dated December 15, 1906, from Randall-Gee & Mitchell, of Duluth, Minn., to H. B. Moore, inclosing statement of cars which were not less than fourteen days in transit, and giving car initials, car number, point of shipment, date advised of shipment, and date of arrival in Duluth. (Exhibit No. 8.)

2–8. Letter dated December 15, 1906, from H. Poehler Company to H. B. Moore, giving statement of shipment to Duluth, showing date of shipment, car initials, car number, point of shipment, and date unloaded. (Exhibit No. 9.)

2–9. Letter dated December 15, 1906, from the Atwood-Larson Company, of Duluth, Minn., to H. B. Moore, inclosing list of cars considered to have been an unreasonable length of time in transit. (Exhibit No. 10.)

2–10. Letter dated December 15, 1906, from the John Miller Company, Duluth, Minn., to H. B. Moore, giving statement covering 580 cars, and giving the number of days same were in transit. (Exhibit No. 11.)
2–11. Letter dated December 15, 1906, from Freemire, Remund & Co., of Duluth, Minn., to H. B. Moore, giving statement of cars shipped from points in North Dakota, giving date of shipment, point of shipment, car initials, car number, date of manifest, and date unloaded. (Exhibit No. 12.)
2–12. Letter dated December 15, 1906, from Arbogast & Ball, Duluth, Minn., to H. B. Moore, inclosing list of cars which they regard as having been an unreasonable length of time in transit. (Exhibit No. 13.)
2–13. Letter dated December 18, 1906, from H. B. Moore to the Interstate Commerce Commission, correcting his testimony in regard to amount of grain in elevators at Duluth and Superior on December 13.

Record file No. 3.—Blanchard, E. C., superintendent, Northern Pacific Railway Company.

3. Map of Superior, Wis. (Exhibit No. 1.)
3–1. Map of railway systems in Duluth and Superior. (Exhibit No. 2.)
3–2. Map showing the Northern Pacific yard at Rice's Point, Duluth, Minn (Exhibit No. 3.)
3–3. Letter from E. C. Blanchard addressed to John H. Marble, attorney for the Commission, dated December 19, 1906, inclosing, as requested, statement showing the time on road of through freight trains in the month of November, 1906; Lake Superior division, second and third districts.

Record file No. 4.—Heimer, E. E., northwestern sales agent, St. Paul and Western Coal Company, St. Paul, Minn.

4. Letter of Messrs. Gartland & Dunlevy dated December 13, 1906, addressed to J. H. Marble, inclosing card showing that a car of Hocking Valley coal was shipped from Northwestern Fuel Company on November 13 and stating that this car had not been received.
4–1. Letter dated December 10, 1906, addressed to Messrs. Gartland & Dunlevy, Yale, S. Dak., by Mr. Heimer, stating that they can not entertain his order for two cars of Hocking lump coal via the Great Northern, as they are receiving practically no cars over that line. (Exhibit No. 1.)

Record file No. 5.—Dieson, A. O., chief clerk, M. A. Hanna Coal Company.

5. Memorandum showing that the M. A. Hanna Coal Company shipped from Superior Dock on November 3, car of hard coal, consigned to Jos. Salley, Red Lake Falls, Minn., and that the car arrived at destination December 15; letter to the Great Northern Railway asking them to trace this shipment; statement of the shipments of the Hanna Coal Company from November 1 to December 15, 1906, inclusive. (Exhibit No. 1.)

Record file No. 6.—Cockey, W. P., manufacturer of lime, etc.

6. Correspondence between the Superior Manufacturing Company and officials of the Minneapolis, St. Paul and Sault Ste. Marie Railway Company and various consignees relative to delay in the delivery of shipments of lime, plaster, and salt. (Exhibit No. 1.)

Record file No. 7.—Kassebaum, A. S., employee of Superior Manufacturing Company, Minneapolis, Minn.

7. Statement of delayed shipments of the Superior Manufacturing Company, of Minneapolis. (Exhibit No. 1.)

Record file No. 8.—Swanson, A. E., president Securities State Bank, Barlow, N. Dak.

8. Photograph showing wheat piled on ground at Barlow, N. Dak. (Exhibit No. 1.)
8–1. Memorandum in regard to cars received at and shipped from Barlow, N. Dak., and the time in transit. (Exhibit No. 2.)

Record file No. 9.—Grover, H. S., cashier State Bank, of Lisbon, N. Dak.

9. Statement, dated December 15, 1906, showing number of cars received by him for loading since September 1, 1905, and time shipments were in transit. (Exhibit No. 1.)

9–1. Memorandum regarding the car situation at Elliot Station, N. Dak. (Exhibit No. 2.)

9–2. Statement of Sorenson Milling Company, dated December 15, 1906, in regard to supply of cars at Lisbon, N. Dak. State they have had to close down their mill as they could get no coal, owing to the shortage of cars, and giving instances of delay in movement of coal consigned to the milling company. (Exhibit No. 3.)

9–3. Statement of the cars received and loaded at the Lisbon elevator, Lisbon, N. Dak., from September 1 to December 15, 1906, as compared with 1905. (Exhibit No. 4.)

9–4. Letter, dated November 23, 1906, from McCarthy Brothers Company to W. Rawson, Lisbon, N. Dak., stating that car destined for his elevator was inspected on the 7th and ordered to the elevator, but has not as yet arrived; has made numerous complaints to the railroads, but without avail. Letter dated November 26, 1906, from McCarthy Brothers Company inclosing memorandum of the grade and dockage of his car of durum wheat, and complaining of service of railway company. Letter dated December 1, 1906, to W. Rawson by the John Miller Company regarding the underweight of car of grain delivered to the Miller Company and complaining of railway facilities. (Exhibit No. 5.)

Record file No. 10.—Billings, Earnest, director, Farmers' Elevator Company, Lisbon, N. Dak.

10. Letter dated December 14, 1906, to the board of directors of Farmers' Elevator and Mercantile Company, Lisbon, N. Dak., giving a statement of the number of cars received by him from the Northern Pacific Railway and loaded from September 1, 1906, to December 14, 1906. (Exhibit No. 1.)

10–1. Letter from F. A. Rector, agent, to E. Billings, dated December 17, giving a statement of the number of cars received by the above elevator for the months of September to December, 1906, inclusive. (Exhibit No. 2.)

Record file No. 11.—Marble, J. H., attorney, Interstate Commerce Commission.

11. Photograph showing blockade of wagons of grain at elevator at Anamoose, N. Dak., on the Minneapolis, St. Paul and Sault Ste. Marie Railway Company, on October 25, 1906. (Exhibit No. 1.)

11–1. Photograph showing 60,000 bushels of wheat in the open at New Rockford, N. Dak., on November 7, 1906, all elevators being full. (Exhibit No. 2.)

11–2. Photograph showing wagons of grain waiting at the elevator at Sheyenne, N. Dak., on the Northern Pacific Railway. (Exhibit No. 3.)

11–3. Photograph of the Royal elevator at Courtenay, N. Dak., and grain piled on the ground. (Exhibit No. 4.)

11–4. Photograph showing 112,000 bushels of wheat in a bin in the open air at New Rockford, N. Dak. (Exhibit No. 5.)

11–5. Copy of the report of the committee on the grain blockade at Wilton, N. Dak., to the Commercial Club at Wilton. (Exhibit No. 6.)

11–6. Photograph showing 60,000 bushels of wheat in the open air and snowed under at New Rockford, N. Dak., December 13, 1906. (Exhibit No. 7.)

11–7. Letter dated December 15, 1906, from Senator Hansbrough, to the Commission, inclosing two newspaper clippings and suggesting that certain persons be subpœnaed. (Exhibit No. 8.)

11–8. Letter of Senator Hansbrough, dated December 3, 1906, to the Chairman of the Commission, asking whether the Commission has authority under the present law to compel an interstate carrier to furnish adequate amount of equipment to conduct the traffic along its line, and reply of the Chairman thereto. (Exhibit No. 9.)

11–9. Letter of Hon. A. J. Gronna, M. C., regarding car shortage in North Dakota.

11–10. Various letters addressed to Hon. Thomas F. Marshall, M. C., and to the Interstate Commerce Commission from points in North Dakota regarding the car situation, showing shortage of cars and insufficient transportation facilities. (Exhibit No. 10.)

11–11. Extracts from the minutes of the meeting of the Pacific Coast Lumber Manufacturers' Association held at Seattle, Wash., November 26, 1906, relative to car shortage and statement of the Pacific Coast Manufacturers' Association showing the car situation. (Exhibit No. 11.)

Record file No. 12.—Slade, George T., general superintendent, Great Northern Railway Company.

12. Statement showing the number of Great Northern cars on foreign roads and the number of foreign cars on the Great Northern Railway from September 6, 1906, to December 7, 1906, inclusive, by weeks. (Exhibit No. 1.)

Record file No. 13.—Horn, H. J., general manager, Northern Pacific Railway Company.

13. Statement showing the number of foreign cars on the Northern Pacific Railway and the number of Northern Pacific cars on foreign lines. (Exhibit No. 1.)

Record file No. 14.—Pennington, Edmund, vice-president and general manager, Minneapolis, St. Paul and Sault Ste. Marie Railway.

14. Statement showing the car balance on the Minneapolis, St. Paul and Sault Ste. Marie Railway on December 12, 1906; showing the number of foreign cars on Soo line and the number of Soo cars on foreign roads. (Exhibit No. 1.)

Record file No. 15.—Loftus, George S., manager, Loftus-Hubbard Elevator Company.

15. Correspondence relating to delay in delivery of carload of oats ordered shipped to Deer River. (Exhibit No. 1.)

15–1. Shipping instructions on carload of oats from Rolla, N. Dak., to be shipped to Deer River. (Exhibit No. 2.)

15–2. Letter from Geo. S. Loftus to the Railroad and Warehouse Commission of Minnesota in regard to the number of cars now in the railroad yards at Duluth ready to be unloaded; states that if cars are not immediately set for unloading large loss will be incurred from decline in market and demurrage charges; asks that the commission endeavor to secure prompt movement of cars. (Exhibit No. 4.)

15–3. Freight bills showing delay in delivery of shipments via various lines. (Exhibit No. 7.)

15–4. Letters from K. N. Bragestad, of Gary, Minn., dated November 14, 1906, to Loftus-Hubbard Elevator Company, stating that he is unable to get any cars for hay shipments. (Exhibit No. 9.)

15–5. Letter from W. P. Chase, dated November 30, 1906, to the Loftus-Hubbard Elevator Company, regarding their inability to get sufficient cars for hay shipments. (Exhibit No. 10.)

15–6. Correspondence between the Railroad and Warehouse Commission of Minnesota and the Loftus-Hubbard Elevator Company regarding delay in movement of various cars on different lines. (Exhibit No. 11.)

15–7. Statement of cars shipped between October 1 and December 1, showing the delay in transit or in placing the cars where delivery could be effected. Also various freight bills and letters relating thereto. (Exhibit No. 12.)

15–8. Letter from Wiemer & Rich, dated October 13 and 17 and November 2 and 9, 1906, to the Loftus-Hubbard Elevator Company, in regard to their inability to secure cars for hay shipments. (Exhibit No. 13.)

15–9. Letter from S. C. Moore, dated December 18, 1906, to Loftus-Hubbard Elevator Company, on the same subject. (Exhibit No. 14.)

15–10. Various papers relating to shipment of car of oats purchased from the Imperial Elevator Company. (Exhibit No. 15.)

15–11. Agreement of H. A. Peck, dated September 12, 1906, with the Loftus-Hubbard Elevator Company to deliver 710 tons of hay to be loaded before November 15, 1906.

15–12. Letters from the Ulen Mercantile Company to Loftus-Hubbard Elevator Company, relating to the car shortage at Ulen, Minn. (Exhibit No. 17.)

15–13. Correspondence between the Minnesota Shippers and Receivers' Association and G. H. Cunningham, regarding the inadequate number of cars furnished Mr. Cunningham, of Sturgeon Lake, Minn.

Record file No. 16.—Hawley, A. H., safety-appliance inspector, Interstate Commerce Commission, Davenport, Iowa.

16. Statement showing the empty cars on the tracks of the Great Northern Railway Company noted by him while en route from Spokane, Wash., to Minneapolis.

Record file No. 17.—Winter, G. B., safety-appliance inspector, Interstate Commerce Commission, Salt Lake City, Utah.

17. Statements showing empty cars on the tracks of the Northern Pacific between Spokane, Wash., and Minneapolis, Minn., noted by personal observation.

Record file No. 18.—Richards, I. B., car accountant, Northern Pacific Railway Company.

18. Statement showing the fuel situation on the Dakota division of the Northern Pacific Railway Company on December 16, 1906.

18–1. Statement showing the fuel situation on the Minnesota division of the Northern Pacific Railway on December 16, 1906.

Record file No. 19.—De Veau, James, grain merchant, Minneapolis and Duluth, Minn.

19. Statement showing the delay in movement of freight, the name of railroad on which said delays occurred, date of shipment, car number, point of shipment, date of inspection, and date of unloading at Duluth.

Record file No. 20.—Hill, James J., president, Great Northern Railway Company.

20. Statement showing the number of tons of revenue freight carried over the Great Northern Railway Line for the years 1902 to 1906, inclusive; also the number of tons of revenue freight hauled 1 mile from June 30, 1883, to date.

20–1. Statement of the locomotives on the Great Northern system and the traction power employed from June 30, 1901, to December 1, 1906.

20–1. Statement showing number of cars and tonnage capacity of revenue-freight equipment, June 1, 1901, to December 1, 1906.

20–3. Comparative statement of tons moved 1 mile and density of traffic for year ended June 30, 1906.

20–4. Density of traffic of Lake Shore and Michigan Southern Railroad, New York Central and Hudson River Railroad, and Pennsylvania division of Pennsylvania Railroad for 1905.

20–5. Statement of various divisions showing tons moved 1 mile, average tons per train mile and per loaded car mile, mileage, and ton-miles per mile of main track for the months of July, August, September, and October, 1905 and 1906.

20–6. Statement of railway mileage in the United States for 1870, 1880, 1890, 1904, and 1906.

20–7. List of unfilled orders calling for immediate shipment on December 15, 1906.

Record file No. 21.—Marble, J. H., attorney, Interstate Commerce Commission.

21. Letter from G. H. Reeves, secretary and treasurer of the Northwestern Retail Coal Dealers' Association, to J. H. Marble, inclosing letter from Fred J. Kruse, of La Moure, N. Dak., regarding delay in shipments from Superior and also eastern points. (Exhibit No. 1.)

21–1. Letter from E. E. Heiner, to the Commission, with reference to two specified cases of delay in shipments of fuel and inclosing letters in regard thereto from Harry T. Alsop, of Fargo, N. Dak., and W. F. Hanks & Co., of Pleasant Lake, N. Dak. (Exhibit No. 2.)

21–2. Letter complaining of the delay in furnishing cars for cattle shipments at McClusky, N. Dak., and delay in movement of same when loaded; also complaining of lack of cars for grain and cattle shipments at New Rockford, N. Dak., and inclosing photograph of cattle kept in open pen at McClusky from December 7 to 12 because of failure of railway to furnish cars; at this time the mercury ranged as low as 26° below zero. (Exhibit No. 3.)

21–3. Letter from the Sorenson Milling Company, dated December 14, 1906, to editor, Minneapolis, Minn., regarding their inability to secure an adequate supply of cars for shipment of wheat on hand; also referring to small fuel supply. (Exhibit No. 4.)

21–4. Letter to the Minneapolis Journal, dated November 30, 1906, from Sorenson's elevator at Medbery, N. Dak., complaining of car shortage and discrimination against Medbery in distribution of cars. (Exhibit No. 5.)

21–5. Letter dated December 14, 1906, from the Farmers' Cooperative Elevator Company, of Oriska, N. Dak., to J. H. Marble, giving the number of cars

received and shipped last year as compared with the present year, and stating that owing to the inability to secure cars they had been compelled to close their elevator. (Exhibit No. 6.)

21–6. Letter dated December 27, 1906, from Thomas Gaughan, of Verona, N. Dak., to the State Bank of Lisbon, N. Dak., stating that he is unable to get any cars in which to ship grain; letter of cashier of State Bank, Lisbon, transmitting said letter to the Minneapolis Journal. (Exhibit No. 7.)

21–7. Letter from F. M. Smith, dated December 1, 1906, to the editor of the Minneapolis Journal, stating that Clifford, N. Dak., has lost at least $25,000 worth of business on account of the present car shortage. (Exhibit No. 8.)

21–8. Letter dated December 11, 1906, from George A. Wells, secretary of the Iowa Grain Dealers' Association, to the Interstate Commerce Commission, in regard to the car shortage, and inclosing blank forms of report of car supply by grain dealers. (Exhibit No. 9.)

21–9. Letter dated December 12, 1906, from A. D. Tomlinson, of New Rockford, N. Dak., to J. H. Marble, stating that they are unable to get adequate car facilities to handle their grain. (Exhibit No. 10.)

Record file No. 22.—McKenna, E. W., second vice-president, Chicago, Milwaukee and St. Paul Railway Company.

22. Statement showing the car situation of the Chicago, Milwaukee and St. Paul Railway, the increase in ton mileage, car efficiency, car shortage, etc.

22–1. Letter dated December 24, 1906, to Commissioner Lane, inclosing the following statements:

Inventory of locomotive and freight-car equipment for the fiscal years ending June 30, 1901 to 1906, inclusive; tons revenue freight carried one mile for the same period.

Statement of car balance between the Chicago, Milwaukee and St. Paul Railway Company and various roads at different dates between July 1 to December 20, 1906.

Record file No. 23.—Sanford, C. W., manager, Chicago Car Service Association.

23. Letter dated December 30, 1906, from C. W. Sanford to the Commission, transmitting, as requested, certain statements relative to the Chicago Car Service Association, the territory of same, the cars handled in said territory under car-demurrage rules, the time allowed commodities for unloading, etc.

Record file No. 24.—Daly, John M., car accountant, Illinois Central Railroad.

24. Report showing Illinois Central equipment on foreign railroads and foreign railroad and private line cars on the Illinois Central Railroad and the Yazoo and Mississippi Valley Railroad.

Record file No. 25.—Midgley, J. W., Chicago, Ill.

25. List of railroad companies which have signed the car-hire agreement to and including December 12, 1906; basis of interchange, 50 cents per car per day, effective December 1, 1906.

Record file No. 26.—Anderson, M. C., Franksville, Wis.

26. Letter dated December 17, 1906, from M. C. Anderson, addressed to the Commission, explaining difficulty in securing cars for shipment of cabbage.

26–1. Two photographs showing cabbage piled on vacant lot at Franksville, Wis.

Record file No. 27.—Kruttschnitt, Julius, director of maintenance and operation, Union Pacific Railway.

27. Comparison of freight traffic handled and capacity of available equipment for fiscal years ending June 30, 1902 to 1906, inclusive, and estimate for 1907.

27–1. Chart showing the above.

27–2. Statement showing mileage and miles of sidings and double track for each 1,000 miles of main track.

27–3. Chart showing the above.

Record file No. 28.—Willard, D., second vice-president, Chicago, Burlington and Quincy Railway Company.

28. Transportation report for the 20th of December, 1906, showing the movement of the loaded and empties for the entire system.

28–1. Letter from D. Willard, dated December 29, 1906, addressed to Commissioner Lane, transmitting, as requested, the following: Statement showing amounts expended by the company for additional equipment, tracks, terminal facilities, etc., for the past five years; and car balance report from September 5, 1906, to December 18, 1906, showing the number of Chicago, Burlington and Quincy cars on foreign lines and the number of foreign cars on the Chicago, Burlington and Quincy lines.

Record file No. 29.—Marble, J. H., attorney Interstate Commerce Commission.

29. Letter dated December 12, 1906, to Hon. Thomas F. Marshall, M. C., from the Farmers' Elevator Company, of Maza, N. Dak., regarding their inability to secure cars to move their grain.

29–1. Similar letter dated December 8, 1906, from the Commercial Club of Minot, N. Dak.

29–2. Letter dated December 8, 1906, from C. B. Hughes, of Rugby, N. Dak., to the Minneapolis Journal as to insufficient transportation facilities at Rugby, N. Dak., and Tunbridge, and reporting shortage of cars at Rugby and Pleasant Lake and Tunbridge, N. Dak.

29–3. Letter dated November 30, 1906, from Judd Williams, manager of Kensal Farmers' Elevator, Kensal, N. Dak., to the Minneapolis Journal as to car shortage at Kensal, N. Dak.

29–4. Cartoon prepared by the manager of the Illinois and Iowa Car Service Association favoring demurrage rate of $3 a day and a reconsignment charge of $5 per car.

Record file No. 30.—Stickney, W. M., of Lowell, Holt & Co., grain merchants, Chicago, Ill.

30. Copy of circular letter addressed to the grain merchants in Iowa and Illinois, regarding the shortage of cars, loss thus sustained, etc., and replies thereto. (Exhibit No. 1.)

30–1. Reply of C. G. Messerole, secretary of the Farmers' Grain Dealers' Association of Iowa, dated December 14, 1906, to the circular above referred to. (Exhibit No. 2.)

30–2. Letter from the Seneca Grain, Lumber and Supply Company, dated December 14, 1906, in answer to the circular. (Exhibit No. 3.)

30–3. Statement showing shipments of grain from Iowa during January, 1906, to Lowell, Holt & Co. (Exhibit No. 4.)

Record file No. 31.—Defebaugh, J. E., editor of the American Lumberman.

31. Statement prepared for the Commission regarding the car-shortage question and the effect of same as related to the lumber trade, and suggesting remedy for present unsatisfactory conditions.

31–1. Reprint from the American Lumberman—"Call for a national reciprocal demurrage convention."

31–2. Extracts from the American Lumberman (December 15, 1906); outline of the existing unsatisfactory transportation conditions and suggested remedy for improvement; lumber trade difficulties leading up to the call.

31–3. Various letters addressed to the American Lumberman, containing indorsements of reciprocal demurrage and the call for a convention.

31–4. Various letters addressed to the American Lumberman as to the general situation.

31–5. Various letters addressed to the American Lumberman, containing specific complaints of car shortage and alleged discrimination in furnishing cars.

31–6. Various letters addressed to the American Lumberman making suggestions as to remedies for car shortage and insufficient transportation facilities.

Record file No. 32.—Hostler, S. P., president, Hostler Coal and Coke Company.

32. Letter from S. P. Hostler, dated December 20, 1906, addressed to editor Black Diamond, Chicago, Ill., giving his views with regard to the need of national and State reciprocal-demurrage laws. (Exhibit No. 1.)

32–1. Statements showing shipments of coal to Chicago from three different mines in the Kanawha district, giving the date of shipment, date of arrival, and the number of days in transit.

Record file No. 33.—Thompson, Slason, manager, Bureau of Railroad News, of the General Managers' Association, Chicago, Ill.

33. Letter addressed to Commissioner Harlan, dated December 24, 1906, transmitting following statements:

Statement showing the ton mileage of 309 roads for the year 1900 up to date, increase in freight equipment, and total car and engine capacity.

Statement showing the number and tractive power of freight engines on certain railways for 1900 and 1906, and statement showing the number of freight cars on certain roads in 1900 and 1906.

Record file No. 34.—Patten, George W., of the firm of Bartlett, Frazier & Carrington.

34. Statement showing the delay in delivery of cars to elevator after the disposition order was given and time required to unload cars when placed.

Record file No. 35.—Marcy, George E., manager, Armour Grain Company.

35. Statement showing the time required to make delivery of cars to elevator after disposition order had been given and time within which such cars were unloaded when placed. (Exhibit No. 1.)

Record file No. 36.—Stream, J. J., manager, South Chicago Elevator Company.

36. Statement showing the time required to make delivery of cars to the elevator after disposition order had been given and time consumed in unloading after such cars were placed.

Record file No. 37.—Rosenbaum, E. F., Rosenbaum Grain Company.

37. Statement showing the number of days taken by railroad in which to deliver cars after the disposition order was given and time consumed in unloading after such cars were placed.

Record file No. 38.—Hudson, T. J., general traffic manager, Illinois Central Railroad.

38. Statement showing the number of cars the Illinois Central Railroad has either built or purchased during the years 1903–1906. (Exhibit No. 1.)

38–1. Comparative statement of traffic and facilities for June 30, 1890, and June 30, 1905. (Exhibit No. 2.)

Record file No. 39.—Postmasters, North Dakota stations.

39. Telegrams from the postmasters of various stations in North Dakota, regarding the fuel supply at said stations.

Record file No. 40.—Weiser, E. J., president, First National Bank of Fargo, N. Dak.

40. Postal cards from their correspondents in North Dakota, giving an estimate of the per cent of the 1906 crop still in the farmers' hands, the per cent in local elevators, and the per cent shipped.

Record file No. 41.—Sage, D. A., Chicago, Ill.

41. Illinois Central Railroad Company tariff supplement to rules governing the reconsignment of hard coal, coke, and soft coal, carloads, supplement No. 3 to coal tariff No. 839.

Record file No. 42.—Elliott, Howard, president, Northern Pacific Railway Company.

42. Telegrams dated December 20, 1906, from Mr. Elliott to Commissioner Lane, in regard to the fuel and coal supply at North Dakota stations.

Record file No. 43.—Kempner, I. H., president, Galveston Cotton Exchange and Board of Trade, Galveston, Tex.

43. Letter dated January 30, 1907, from I. H. Kempner to the Commission, transmitting answers to inquiries submitted by the Commission January 18, 1907, as to the handling of cotton at the port of Galveston, and the facilities of railroads and of the Galveston Wharf Company at Galveston.

IN THE MATTER OF CAR SHORTAGE AND OTHER INSUFFICIENT TRANSPORTATION FACILITIES

REPORTS OF COMMISSIONERS LANE AND HARLAN

ON THE

TESTIMONY TAKEN AT MINNEAPOLIS MINN., DECEMBER 17, 18, AND 19, 1906 AND AT CHICAGO, ILL., DECEMBER 20 AND 21, 1906

IN THE MATTER OF CAR SHORTAGE AND OTHER INSUFFICIENT TRANSPORTATION FACILITIES.

REPORTS OF COMMISSIONERS LANE AND HARLAN.

LANE, *Commissioner:*

The Commission opened its inquiry into the general subject of car shortage in Minneapolis on the 17th of December, 1906, and continued on the 18th and 19th in that city and on the 20th and 21st in Chicago.

COAL SHORTAGE IN NORTH DAKOTA.

Reports having reached the Commission of what was termed a "coal famine" in North Dakota, telegrams were sent prior to the opening of the hearing at Minneapolis to the postmasters in a large number of North Dakota towns asking a prompt statement as to the need for fuel. The replies (which came chiefly from points on the Great Northern Railway) were almost without exception appeals for help. The State was being swept by a blizzard and no coal was to be had. There had been some suffering, much was immediately threatened unless relief promptly came, and the people were gravely alarmed.

These replies were read in open session to the managing officials of the Great Northern and Northern Pacific railways, who had been summoned before the Commission, and specific promise was received that immediate relief would be given. Thereupon telegrams were again sent to the towns interested stating the pledge made by the railroad officials that relief would be immediately forthcoming. Throughout the sessions in Minneapolis and Chicago the Commission kept in touch with the situation, and from the latest information it appears that all immediate danger of suffering from lack of fuel has passed and that the railroads have with energy and promptness kept the obligation into which they entered with the people of the threatened district through the medium of the Commission. With all the effort that has been made, however, there is probable danger of a recurrence of the distress if the present policy of helpfulness is not continued throughout the winter.

For this serious condition the railroads largely lay the blame upon the country coal dealer, who was urged early in the summer, they claim, to forthwith lay in his winter's coal supply. But this advice the coal dealer did not heed. He allowed the summer months to pass without ordering from the great depot at Duluth. Then came the fall months, during which an unusual and unexpected volume of merchandise moving westward filled the cars, which, emptying their loads of grain at Duluth and Superior, would ordinarily have carried coal westward to the grain belt. Thus winter came upon an unprepared people.

To this charge the country coal dealer made answer that neither law nor custom required him to order his coal six months in advance of his needs; that it was the duty of the railroad to meet his demand for cars, rather than the duty of the coal dealer to accommodate his business to the convenience of the railroad; that the coal dealers were justified in assuming that the railroads would be able to transport coal in the fall months because in other years they had done so; that the small percentage of cars for coal loading which the companies did supply lay loaded upon side tracks or in terminals so great a percentage of the time that they moved toward their destination at an average of less than 1 mile an hour, and often at an even lower rate of speed; that those who did order coal in the summer months were as poorly supplied as those who did not; that the railroad companies themselves did not follow their own counsel, for their own reports reveal serious shortage of company coal at almost every point; that preference over coal was given to general merchandise and other freight destined farther west, and that in the months when coal would ordinarily have been hauled to North Dakota the railroads were engaged in supplying coal from the head of the Lakes to the Montana smelters whose customary supply had been cut off by a strike in British Columbia mines.

In a telegram to the Commission dated December 17, 1906, Mr. Hill, president of the Great Northern, said:

> The coal scarcity in North Dakota is not due to want of cars. Thousands of empty cars have been moving from the head of Lake Superior to the grain fields during the fall.

Mr. Philbin, superintendent of the Great Northern at the head of Lake Superior, testified before the Commission:

> A year ago we took back to the grain fields a good many empty cars, and still had enough cars for the outbound loading. The case was different this year. We took back very few empty cars. A very small percentage of the cars have gone west empty this fall.

It is a fair inference from all the testimony that the real cause of the coal scarcity in North Dakota was such an abundance of westbound traffic at the head of the Lakes that cars were not available in the congested state of that terminal for the carrying of coal to North Dakota—a comparatively short haul for a low-class commodity.

It was suggested that the coal shortage was due, in part at least, to the presence of a trust or combination between dealers in coal, who fixed prices in the Northwest and refused to sell to "outsiders" and "irregulars." That such a combination exists can not be doubted. The Commission has gained indisputable proof of an agreement between coal dealers to maintain prices and to boycitt all who do not so agree; but there is no evidence at all justifying the contention that this combination is chargeable with the coal shortage prevailing nor that the railroads were party in any way to such a conspiracy.

GRAIN SITUATION IN THE NORTHWEST.

The railroads tapping the great grain belt of the Northwest seem to have been overwhelmed by this year's crop, although, in fact, the crop scarcely exceeded that of the year 1905 in volume, nor did it equal that of at least one other preceding year.

Fifty million bushels of grain, as nearly as can be estimated, remain on the farms or in the country elevators of North Dakota. But 38 per cent of the crop has been shipped. The country or line elevators at a large number of country stations are full. Some of these reached their capacity as early as September and still contain the grain they then held. Thousands of bushels of wheat are lying at this time covered with snow in open bins built beside the railroad track. The farmer can not sell because the country dealer can not buy. The country dealer can not buy because the country elevator is already full. The country elevator remains full because the railroad has not moved the grain from the country elevator to the terminal elevator. The terminal elevators at Duluth, Superior, and Minneapolis, which act as great reservoirs for the line elevators, are almost empty, and at no time during the season have they been filled to more than one-third of their capacity.

This unfortunate chain of conditions has involved financial loss to a not inconsiderable percentage of the population of the Northwest. It is a loss which begins with the farmer, but includes the merchant, the grain dealer, the elevator man, the miller, and the railroad. And such loss is to be reckoned in figures computed on a basis of the reduced price upon millions of bushels of grain, for every bushel of which there is demand. The farmer has been compelled to ask the merchant to extend his credit. The merchant, the elevator man, and the country dealer have been forced to secure new and unusual loans at the banks. The dealer who sold grain for November delivery has failed to keep his contract and "made a loss." Interest and insurance have eaten away the profit of the dealers, and the price of grain has fallen from 2 to 6 cents per bushel at a large number of country points.

No clearer evidence could be given of the wealth of this most favored section of the country and the economic independence of its population than the simple fact that the conditions obtaining in the Dakotas and Minnesota have not amounted to a calamity.

It was the testimony of the president of the First National Bank of Fargo, N. Dak., who presented to the Commission letters from 350 banks in that State showing the extent to which grain still remained in the farmers' hands, that whereas he should not be loaning the country banks a single dollar at this time of the year, he had within the last sixty days extended his credits to his correspondents to the extent of $600,000. The failure of the carriers to move wheat has had a widespread effect financially, causing a loss of interest, storage charges, and insurance, besides the loss of wheat on the ground and the loss through depreciation in price. Local jobbers are unable to pay because they are unable to collect, and the farmers are unable to find a market.

If this condition was brought about by an actual shortage of cars, such defense was not presented by the railroad officials who appeared and testified, nor was it contended that the crop of this year exceeded expectations or was in any way abnormal. All the railroads of the Northwest (and some hauled more than ever before) actually moved less of this year's crop up to the time of the hearing than of the crop of 1905 during the corresponding months. These are the figures: 1905, 116,424,490 bushels; 1906, 97,104,031 bushels, a deficit in 1906 of 19,000 carloads.

The situation last year, while not satisfactory to the shippers, did not present the distressing features that developed in 1906. Yet in the year 1906 both the Great Northern and the Northern Pacific largely increased their equipment. Notwithstanding this increased equipment, they hauled less grain, they furnished fewer cars to the line elevators, and delivered fewer at the terminals.

Neither President Hill, of the Great Northern, nor President Elliott, of the Northern Pacific, urged shortage of cars or locomotives as an excuse for their inability to handle the grain crop, but confessed with frankness that they were using all the cars that they could handle. Thus what appeared to the farmer as a car shortage was not such to the railroad man. To him there was a shortage in adequate terminals, double tracks, side tracks, yards, and low grades. The problem, as stated by him, was not that of securing more cars, but of securing facilities adequate to meet the volume of business which had so greatly increased as to have exhausted the capacity of the entire facilities of the road.

President Elliott said that in attempting to handle the freight offered they were trying to force a 3-inch stream through a 1-inch nozzle. "The railroads have more business than they can handle." President Hill declared that the railroads of the country, as a whole, "have not kept in sight of the country's growth;" that his road, as well as many others, was endeavoring to bore a 1-inch hole with a half-inch auger.

The Government of this country [said President Hill] and its growth and its business is against a stone wall so high that it can not see the top of it. No man can see the top of it to-day. I have looked everywhere, turned everywhere, to see what can be done. During the time from 1895 to 1905 the business of the country, the tons moved 1 mile, increased 110 per cent, and the facilities, the increase of facilities for doing the business and handling the miles, increased 20 per cent in ten years, or 2 per cent per annum. But of that 20 per cent three-fourths of it was new mileage that was built in sections of the country that added to the congestion of the old.

Now I think, and I have discussed this question with a number of the most intelligent railroad men that I know—I have asked them how much additional mileage should be built to absolutely relieve the country from the situation and difficulty it is laboring under, the unreasonable delay of freight. There has always to be some delay, but not an unreasonable delay. They put the necessary mileage, some as high as 50 per cent. Well, that is out of the question. But men who have taken up the question and thought about it and tried to work it out will say anywhere from 25 to 33 per cent. Now, 25 per cent of new mileage would be 55,000 miles, and if that is to be built in five years it would take 11,000 miles a year. But you would have to add one-third of the mileage for terminal and passing tracks. Add 33 per cent to 55,000 and it makes 73,333 miles. Now, 73,000 miles additional would not be any more than is actually necessary, because I have distributed it over five years, and in five years, if we are to have crops at all and if we don't stand still, the allowance is altogether too small. I do not think the new mileage, the new equipment, and terminal facilities could be produced for less than $75,000 a mile of main track, which would amount to $5,500,000,000, or a yearly average of $1,100,000,000.

Now that is what is necessary to move this stuff, to move the business of this country, and it is not any more than is necessary, but it is 30 per cent or 40 per cent of the cost of the civil war, and it is more money than the United States can raise. That is the stone wall we are up against, and foresight does not look forward far enough to get a glance of it. We are up against it until it is solved.

The testimony of all the railroad officials of the two great transcontinental lines from the Lakes to the Pacific given in explanation of the nonmovement of grain and of coal was that they were not s-

much unable to furnish cars and locomotives as they were unable to handle the volume of traffic which was offered them, and in this respect they did not regard their condition as unique. Theirs was a plea in confession and avoidance. They were engaged in great enterprises of improvement which would do much toward relieving the situation another season. They could suggest no remedy for the conditions prevailing save such a scheme of multiplying tracks and enlarging terminals as would permit a freer movement of trains.

Many credible witnesses who appeared at both Minneapolis and Chicago gave testimony that a great and immediate improvement in transportation service in the Northwest might be effected by a change in the methods of use of present equipment without waiting for the enormously costly and practically unattainable improvements suggested by railway officials. The Commission was told of loaded cars standing from two to twenty days at the points of origin; of empty cars lost in congested terminals or lying unused, sometimes in solid trains, for equal lengths of time; of engines broken down from overwork; of trains torn in two by heavy loads; and of train crews working extremely long hours without rest although making only ordinary mileage. Grain receivers at Minneapolis and Duluth presented long lists of loaded cars that had been twenty or more days in moving 250 miles, and that at Duluth had again been delayed days and even weeks in switching after arrival.

All the officials and employees of the Great Northern and Northern Pacific roads giving testimony agreed in saying that engines were not loaded too heavily and that a lightening of train loads would not aid them to give better service. Yet one of these same officials also testified that any increase in train tonnage would be likely to be followed by the breaking of trains, and another added strength to the conclusion that tonnage rather than speed is the result sought by testifying that from ten to fifteen days is a reasonable time for a car of dead freight to move 350 miles passing though two division points.

Vice-President Pennington, of the "Soo" road, took direct issue with this theory of railroading, saying that in periods of congestion he found the wise plan to be to reduce train tonnage, thus making better speed, increasing engine mileage, and actually moving more tons of freight in a month without increasing the equipment. Similar testimony was given by a number of experienced railroad men at the Chicago hearing. Two theories of railroad operation were thus brought into opposition.

To many witnesses at both Minneapolis and Chicago it was obvious that if cars were made to move faster and were kept moving their efficiency would be greatly increased. Car shortage, in other words, may result as much from lack of wise methods in handling the cars which a company possesses as from a deficiency in the number of cars or a lack of tractive power. If engines are made to haul their maximum, it is manifest that their capacity is limited to the highest grade over which they are compelled to pass. If trains are made up of so large a number of loaded cars that the engine is reduced to its minimum speed, these cars during their time of transit are withdrawn from the general car supply. From the statistics presented it would appear that the policy of hauling maximum loads on long hauls is one that produces dazzling figures of ton mileage

which should greatly gratify the railroad stockholder did not the troublesome problem arise of the carrier's duty to render prompt service and make the fullest possible use of the railway and its facilities. Maximum tonnage and maximum service are not necessarily equivalents. A railroad which lives by virtue of a public grant and the exercise of quasi public powers is primarily obligated to discharge its functions with an eye to the welfare of the public which it serves and to avoid any policy of operation which, no matter how profitable to the stockholder, may result injuriously to its dependent communities.

The inquiry into car shortage, so far as it affected the movement of grain in the Northwest, justifies these conclusions:

1. The Great Northern and Northern Pacific roads did not suffer by reason of diversion of their cars to other roads; the balance between these and other railroads was in favor of the Great Northern to the extent of 2,000 cars and of the Northern Pacific to the extent of 6,000 cars.

2. Both roads had more equipment than they had last year, when cars were furnished more promptly, better time was made, and less complaint was made by shippers.

3. There was less evidence of inability to supply cars for loading at competitive points than at noncompetitive points.

4. Preference was shown to classes of freight calling for a long haul.

5. The elevators at terminals made no delays in freeing equipment.

6. From the standpoint of public service the best possible use of equipment is not secured by a policy of operation which subordinates time of transportation to tonnage transported.

7. Improvements under way and contemplated will greatly enlarge the capacity of the roads to handle their growing volume of freight, but such improvements will not relieve the needs of the Northwest unless the roads pursue a policy of operation aimed specifically to meet the needs of the grain raiser.

CHICAGO HEARING.

The evidence taken at Chicago related to conditions at such widely separated points as San Francisco, Galveston, New Orleans, Chicago, the West Virginia coal fields, the grain fields of Iowa, Nebraska, Kansas, and Oklahoma, and the lumber-producing regions of Oregon, Washington, and the various Southern States. Dealers in coal, grain, and lumber, whose operations extend throughout the country, were present to testify, and all told the same story of failure of transportation facilities and resulting commercial embarrassment and loss.

It was shown that mines in several States have been closed or have operated to only a portion of their capacity for lack of car service to carry away the coal, just as elevators in North Dakota have been closed for lack of cars to take away their wheat and bring in coal.

Testimony as to conditions in the Southwest showed that in Indian Territory and Oklahoma wheat and cotton are lying on the ground at the railway stations exposed to the elements, while the

terminal at Galveston, to which this grain and cotton should go, is so congested with loaded cars that ships in the harbor are greatly delayed in securing cargoes.

Immediately prior to the hearing at Chicago inquiries were addressed on behalf of the Commission to grain dealers at 175 Iowa towns, asking for a statement of conditions during the present crop year and the effect of failure of car service, if any, upon financial returns to grain buyers and farmers. At the hearing replies to these inquiries were received from 150 towns. These replies were practically unanimous in saying that the car supply is fair at competitive points. At noncompetitive points, however, much complaint of failure of car service is made, the estimates of losses from these causes made by the dealers running from $500 to $5,000 each for the present crop year. It is of course evident that these losses must finally be borne by the farmers, as in bidding for grain the dealers necessarily take into account all difficulties and expenses of storing and marketing the grain. The inference raised by these replies, that the railroads discriminated in favor of competitive points, is strengthened by direct testimony to that effect from witnesses whose duties require that they shall know the conditions throughout the State of Iowa.

Slowness of movement of cars after being loaded is also cause of complaint from many of these Iowa points. Time of movement of loaded grain cars from Iowa points to Chicago was shown to be from two to twenty-five days. Very few cars reached Chicago in so short a time as two days, and very few consumed as much as twenty-five days. The bulk of the movement seems to take from four to eight days, yet many cars were from ten to eighteen days from Iowa to Chicago. Complaint is made that much damage to grain is caused by slow movement, especially to corn, which heats and spoils. A few replies from points in Illinois to the same questions sent to Iowa were also received. These show that conditions are much alike in the two States.

The great grain dealers of Chicago repeated this complaint of slowness of movement of grain to their elevators, both in the journey to the city and in the switching operations after reaching the city. To this complaint these grain merchants added that shipments of grain from Chicago to Atlantic ports are greatly delayed in starting for lack of car service, and are again subject to such unprecedented delays before reaching the ship's side that the selling of grain on contract for delivery at the seaboard is greatly interfered with.

Representatives of the lumber mills of the entire country as well as of the retail lumber dealers told the same story. This industry, which pays to the railroads a total of over $170,000,000 a year in freights, seems to be an especial sufferer from the prevailing lack of car service. At every point mills find it impossible to run to capacity for the reason that they are unable to move their products. Mills of the Southern States, as well as of Oregon and Washington, are working short time or closed down entirely, while building operations in many States are delayed for lack of lumber. All this is a serious loss to owners and employees, and in some cases the testimony went so far as to show that failure to secure needed transportation facilities has placed substantial concerns of fair financial strength in danger of bankruptcy.

Testimony received at Chicago and at Minneapolis, as well as reports reaching this Commission from various other points, gives reasonable basis for the statement that the competition for cars between shippers is being used by minor employees of many railroads as a means of petty graft.

At the Minneapolis hearing the notable feature was the fact that railway managers and shippers were in substantial agreement in their testimony as to the failure of the railways to measure up to the demands of the communities dependent upon them. Such conflict as appears in the testimony relates to the responsibility for an admittedly insufficient service on the part of the railroads reaching Minneapolis and Duluth from the Northwest.

At Chicago no such agreement appears in the testimony as to the service rendered by the railways reaching that city. The railway managers were generally of the opinion that their roads were measuring up to the requirements of the shippers with reasonable success. The testimony of shippers of grain, coal, lumber, and other commodities, however, told of failure to secure cars when needed and of slowness of movement of cars when once secured and loaded. A fair conclusion from this conflict in the testimony appears to be that railroad managers and shippers have widely varying ideas as to what constitutes satisfactory service by a common carrier.

The testimony showed such delays to loaded cars in being switched to points of unloading in Chicago and in passing through Chicago, for shipment out to other cities, as would explain much of the failure of car service in that territory. Figures submitted by the largest receivers of grain at Chicago show that the average length of time required for switching loaded cars to the elevator after notice of destination is received by the railroad is from three and one-half to five days, and for carload freight to be switched through Chicago takes from eight to fifteen days.

While several of the railroads offering testimony at Chicago and Minneapolis showed that they had been unable to secure cars and locomotives from builders as rapidly as they desired, only one road of those testifying had undertaken to build its own equipment. The Chicago, Milwaukee and St. Paul Railway during the current calendar year to December 1 built for itself 56 locomotives, representing an increase in its equipment of 5½ per cent, and 4,000 freight cars, representing a net increase in its equipment of 8.04 per cent. And this was done with a plant costing $1,500,000.

PROPOSED REMEDIES.

Shippers generally demand that some remedy shall be found for the unfortunate condition which prevails. Those proposed vary from the all-inclusive proposition of Mr. Hill that the railroads of the country must invest over $5,000,000,000 for the enlargement of facilities upon roads now existing to the enactment of a law by Congress which shall compel the payment by railroads of a penalty for each day's delay in furnishing cars and in transporting cars after loading.

Between these two extremes are various propositions involving either concerted action by the railroads, new legislation, or the

expenditure of large amounts of money in betterments and equipment. There is no division among railroad men, so far as appears, as to the necessity for greatly increasing terminal facilities and for adopting new methods of handling freight at the larger terminals. The congestion of traffic arises not at points of origin, but either at points of destination or at the terminals where freight is transferred from one line to another. This congestion has its effect upon all lines of railroad reaching such terminals, for once a terminal contains more traffic than it can promptly handle and deliver, it acts as a dam which floods a constantly increasing area behind it.

Reconsignment.—One of the causes of congestion at terminals is the reconsignment privilege granted on many of the principal articles of freight. This is of great value to shippers; and what is here said is not intended to in any sense lessen the extent to which such privilege is granted in necessary cases; but it is manifestly unjust that the consignee at the terminal should be unable promptly to receive his freight because traffic that is destined elsewhere encumbers yards and tracks. This is not a slight nor an insignificant cause for the slow movement of freight and shortage in car service, and it appears readily possible for the railroads and shippers to remedy this condition if they will.

A considerable body of this traffic never should require reconsignment. It has become a practice on the part of many shippers to bill their freight to a reconsigning point as a matter of convenience to themselves without respect to its necessity. This may be checked by the shipper of his own motion, or where the shipper desires reconsignment, and the law does not interfere therewith, the railroads may discourage it by the imposition of a reasonable reconsignment charge or by limiting drastically the time allowed on reconsignment. Or the railroads may—and the reason for such a plan is becoming emphasized more strongly every day at all of the larger terminals—provide separate terminals outside cities at which freight may be held pending determination by the shipper as to destination.

It was the opinion of the leading operating official of a western road that it is impossible to put into effect a general rule limiting the time allowed for reconsignment, because competition for traffic between carriers would prevent its common adoption and enforcement. It was his opinion that some superior authority should make the rule fixing such time limit, which should be imposed universally and which it should be an infringement of law to disregard.

Warehousing in cars.—There are other questions affecting operation upon which it would be advisable that a uniform policy should be adopted between the railroads, notably as to the time granted for the unloading of cars by consignees. This privilege, it has been contended, is one of the most fruitful causes of car shortage. Such contention, wherever examined into in this inquiry, has been found to be without support. The demurrage accounts of the railroads show that to a very limited extent do consignees avail themselves of the right to hold cars as warehouses and pay demurrage thereon. The railroads themselves, from lack of facilities, warehouses, platforms, and the like, are, however, compelled to make far too extensive use of cars for storage purposes. In one port terminal a daily average of 10,000 cars were so held during several months of last year.

There is, it would appear, little necessity for so extensive a time limit for unloading as is often granted. The grain elevators at Chicago promptly met the charge that they were to blame for car shortage by reason of delays in unloading by showing from their books that over 90 per cent of the cars delivered to them were emptied the day of delivery, and that all their cars were unloaded within forty-eight hours, thus indicating that an allowance of greater time than two days was unnecessary. The coal men, who were allowed five days free time, conceded that an allowance of forty-eight hours would be reasonable.

If it be true that any considerable part of the shortage of car service from which the country is suffering is due to the excessive and unnecessary time allowed by railroads, it is manifestly within the power of the railroads themselves to correct such abuse. If the railroads, either through fear of losing traffic to each other or through indifference or inability, to not enact and enforce the needed rules, they will not be able to reasonably object should power to make such rules be vested elsewhere. It is to be preferred that the railroad managements should regulate themselves in such matters rather than impose the task upon the Government, and it is to be hoped that they will promptly find a way to do so.

Proposed car clearing house.—While it has been found that perhaps all of the railroads whose representatives appeared at this hearing are suffering from an inability to supply cars promptly, it has not been demonstrated that, taking all roads together, there is an actual shortage of cars for the service required. It is the contention of men most conversant with existing equipment that there is a sufficient supply of both cars and locomotives to meet present demands were such a plan adopted as would permit a free interchange of cars between railroads and an arbitrary and common control of all equipment in its handling and distribution. This is the plan suggested by Mr. John W. Midgley, of Chicago, and is commonly known as the car pooling scheme, or more properly the car clearing house. It has the indorsement of such men as Mr. Stuyvesant Fish and Mr. E. H. Harriman and is in use upon the various lines comprising the Pennsylvania Railroad System, the New York Central lines, and the Southern Pacific System, but as yet no two systems have seen fit to adopt it and subject the control of their equipment to a common directing official.

A plan that works well for a single large system should be found practicable if extended generally. Its successful operation involves difficult problems, but with a realization of the imperative need for some system by which the activity of cars can be stimulated it is idle to say that the proposed plan could not be made effective. Such a plan, beneficial as it would be if carried out efficiently, must depend upon the agreement and cooperation of the railroads, and the time is at hand when some such modern and progressive method of furthering railroad service must be adopted.

Car per diem.—In connection with the question last treated it is to be noted, and that with some emphasis, that one of the problems which the railroad that desires to deal honestly by the public has to meet is the dishonesty of its fellow-carriers. "Car appropriation" between carriers does not seem to be regarded as dishonorable nor even looked upon with great disfavor.

It is not many years since the railroad which originated freight transferred at its junctions to the cars of the connecting road. Each railroad was thus made to supply its own equipment. This was an uneconomical and time-wasting method, and so out of their own necessities and to give a prompter service the railroads developed the practice which generally obtains to-day of permitting cars to pass onto the tracks of their connecting roads and making a per diem charge therefor. Under this system the present method of hauling freight over several connecting lines has made possible that great body of through transportation which is perhaps the most distinctive feature of American railroading. Experience has proved, however, that the rules governing the return of cars were evaded to such an extent that not a few railroads relied upon foreign equipment for their own needs.

Realizing that a charge of 20 cents per day was insufficient penalty, over 100 railroads within this month have raised the per diem to 50 cents. That this will be effective in securing return of cars to the owning railroads during the few months of the year when traffic is light may be conceded, but that it will insure return during times of great need is not likely, for in such times the holder could earn perhaps ten times the amount that he would be compelled to pay by using the foreign car.

A rule might be adopted fixing a minimum of 50 cents per day during those months of the year when traffic is light, and increasing this possibly fourfold during the latter half of the year, when cars are most needed.

While the railroads may fix the price that shall be charged for the use of their cars by other roads, it may become advisable for the protection of those roads which, realizing their duties as common carriers, furnish themselves with adequate equipment that power be vested in this Commission to make rules governing the interchange of cars and that Congress also enact a penal law under which railroads may be punished for confiscation of foreign equipment. It is submitted that the carriers themselves can not deal with this problem by raising the per diem charge without seriously limiting the extent and utility of through transportation, a contingency that would demoralize the business of the country. That this matter of securing the return of cars to their owners is not one to be regarded indifferently is made evident by the fact that railroads having 10 per cent of the total mileage in one of the States rely "entirely" for equipment upon foreign cars.

Reciprocal car demurrage.—The most generally advocated remedy for the failure on the part of carriers to furnish cars when demanded is that now generally known as "reciprocal car demurrage." This phrase means, in a word, that carriers shall be penalized upon failure to furnish cars demanded, and the phrase arises out of the universal railroad practice of imposing a per diem penalty when a car is held for unloading beyond a certain fixed number of days.

"It is but equitable," the shipper urges, "that if the railroad may charge me for holding his car because that car is needed by it in the conduct of its business that I should be permitted to charge it a stated sum per day when it fails to deliver to me a car which is necessary to the conduct of my business."

The carrier disavows any intention to profit by the delay of the consignee in unloading his freight, but justifies its demurrage rule upon the ground that only by such charge can the consignee be led promptly to free equipment. The shipper in turn urges that such reciprocal demurrage as might be exacted would not compensate for the loss of the car at the time needed, but is intended rather to stimulate the railroad into more promptly providing the car which it is its legal duty to furnish.

Some commercial bodies, advocating this general principle, favor the enactment of a law by Congress dealing directly with the subject, while others favor an enlargement of the powers of the Interstate Commerce Commission under which this body shall have authority to make proper and necessary rules, which may be enforced through the courts under penal provisions similar to those now incorporated in the act to regulate interstate commerce. Each method of procedure has been followed in the legislation of the States. The statute of Texas is an illustration of one method, and the rules framed by the commissions of Louisiana, Florida, Mississippi, North Carolina, and Virginia are illustrations of the other.

It is to us evident and beyond all controversy that the difficulties with which the business of transportation is affected in this country at the present time would not be overcome by the enactment of a reciprocal demurrage bill alone if such measure merely provided for punishing the railroad for nonplacing of cars or nonmovement thereof. The problem is one much deeper and much broader than a mere lack of cars and engines. No doubt an inadequate supply of these facilities is the cause of all the troubles which beset the shipping public on certain lines. But these instances are few. The problem of car shortage is one in which is involved every factor in railroading—the construction, the operation, the maintenance, and the financing of the railroads. The inability of the shipper to secure a car may be but a symptom of a deep-seated and organic trouble.

The real cause of car shortage may lie in the too conservative character of the management of the road or in the unfitness and incompetency of its operating officials. It may flow from an incomprehension on the part of the directors of the full duty imposed by law upon a common carrier. It may arise out of a policy in railroad operation which gives primary consideration to speculative stock operations. It may come from an inability to secure funds to so fit itself that it can discharge its duty. It may follow in a time of exceptional prosperity from an increase in traffic which could not reasonably have been anticipated. Or it may result from an inability to secure labor and materials necessary to the proper enlarging of the railroad's facilities. This enumeration of causes is not exhaustive. It could not well be complete without giving consideration to many industrial and economic factors which at first glance would appear remote and unrelated. Clearly the problem of transportation is so closely interwoven with the fabric of our commercial system, and so closely related and so interdependent are the various activities of our industrial life that one may not lightly say what are the multitudinous considerations which necessarily enter into so simple a question as the reason why a railroad car is not at once forthcoming when ordered.

The enactment of a reciprocal demurrage bill will not build railroad track, equipment, enlarge and simplify terminals, nor transform incompetent operating officials into first-class railroad men, but it might stimulate, energize, and in some cases revolutionize the methods of delinquent railroads so that they would render the service which they were created to render. This is the theory of reciprocal demurrage. But that of itself it will enable the railroads to render adequate service is not demonstrated by experience.

Perhaps the most serious congestion that exists at any terminal in the United States to-day is to be found in Galveston—in a State suffering seriously from car shortage, but in which there is on the statute books one of the simplest reciprocal demurrage laws to be found in the United States. In a statement by Hon. O. B. Colquitt, of the railroad commission of Texas, is found this pregnant passage:

> We have a law in Texas which provides that shippers may make statutory requisition for cars, depositing one-fourth of the freight charge from point of origin of the freight to its destination, and when such requisition is made the car must be furnished within a specified time or else the railroad company must pay to the party making the requisition demurrage at the rate of $25 per day. This demurrage is reciprocal, and where the shipper or the consignee does not unload such car within forty-eight hours after same is delivered demurrage at the rate of $25 a day runs against the consignee.
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> Our court of civil appeals in suits brought by individuals for damages has held that under this law the railroad company can not be compelled to furnish cars for loading where the destination of shipment is beyond the line of the originating road. Acting under this construction of the law, the Texas railroads are refusing to furnish cars to be loaded when the destination of the shipment is beyond their line. When shipments are accepted, the cars are held at junction points, where the originating line requires loads to be transferred or their connecting line to furnish them with an empty car for every loaded car so tendered at such junction points. The result is that at junction points there are many cars tied up with loads waiting for transfer or exchange of an empty.
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> The great quantity of commerce going to the port of Galveston from the interior of Texas, as well as from Oklahoma, Kansas, and Nebraska, much of which is originated on railroads that terminate in the interior and have to depend on their connections reaching Galveston to make port of delivery, and the originating lines refusing to let their loaded cars go to port destinations, thus forcing the unloading of such cars at interior junction points, first produced a blockade of cars at such points, and so tied up several thousand cars on side tracks in enforced idleness beyond the length of time which it would have required such cars to be transported to destination and returned.

This congestion at junction points soon extended to Galveston, where it was aided greatly by a new policy which the Texas roads had adopted of shipping cotton to the port in mixed consignments, thus necessitating the unloading and sorting of such shipments before delivery could be made.

Manifestly it is of little value to a shipper to be given a car if that car, when loaded, is not moved promptly to destination. Therefore the conclusion is inevitable that reciprocal demurrage alone will not insure better railroad service when the movement is over more than one system of railroad. Such a law or rule must be supplemented by some other rule or law under which the originating carrier may be insured of prompt return of the cars which it delivers to its connections.

The traffic of this country can not be moved in the fashion which obtained in the early days of railroading, when transfers were

universal at junction points. When the railroad is penalized for not placing a car at a shipper's warehouse or elevator it will protect itself against the loss of that car by refusal to permit it to pass beyond its control unless it can be given another car in its stead, or unless some system is devised similar to that of the car pool under which its needs for cars may be promptly met.

It will profit those who are seeking to remedy the shortage in car service by means of the imposition of reciprocal demurrage to consider well the decision of the United States Supreme Court in Houston and Texas Central Railroad Company *v.* Mayes (200 U. S., 321). This case involved the applicability of the Texas law to interstate commerce. Mr. Justice Brown, in delivering the opinion of the court, said:

> While there is much to be said in favor of laws compelling railroads to furnish adequate facilities for the transportation of both freight and passengers and to regulate the general subject of speed, length, and frequency of stops, for the heating, lighting, and ventilation of passenger cars, the furnishing of food and water to cattle and other live stock, we think an absolute requirement that a railroad shall furnish a certain number of cars at a specified day, regardless of every other consideration except strikes and other public calamities, transcends the police power of the State, and amounts to a burden upon interstate commerce. It makes no exceptions in cases of a sudden congestion of traffic and actual inability to furnish cars by reason of their temporary and unavoidable detention in other States or in other places within the same State. It makes no allowance for interference of traffic occasioned by wreck or other accident upon the same or other roads, involving a detention of traffic, the breaking of bridges, accidental fires, washouts, or other unavoidable consequence of heavy weather.
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> While railroad companies may be bound to furnish sufficient cars for their usual and ordinary traffic, cases will inevitably arise where, by reason of an unexpected turn in the market, a great public gathering, or an unforeseen rush of travel, a pressure upon the road for transportation facilities may arise which good management and a desire to fulfill all its legal requirements can not provide for and against which the statute in question makes no allowance.
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> Although it may be admitted that the statute is not far from the line of proper police regulation, we think that sufficient allowance is not made for the practical difficulties in the administration of the law and that, as applied to interstate commerce, it transcends the legitimate powers of the legislature.

(Mr. Justice White not participating; the Chief Justice, Mr. Justice Harlan and Mr. Justice McKenna dissented.)

There is nothing in this decision which justifies the conclusion that a reciprocal demurrage bill or rule governing interstate commerce can not be so drawn as to come within the ruling of the court and the principles declared in the opinion of the learned justice. Clearly, however, in justice to the carriers and in conservation of all the industrial interests of the country which use the railroads, whatever plan may be adopted to penalize the railroads for the nonfurnishing of cars must be supplemented by some provision of law or plan of cooperative operation by which the railroads may be secure in permitting cars to pass to the tracks of connecting lines. If this be not done, each carrier will live unto itself and will find it to its own interest to confine its cars to its own tracks.

If the Interstate Commerce Commission is to be vested with power to make rules under which railroads shall be required upon penalty to furnish cars to shippers, this Commission should also be empowered to make rules under which free interchange of cars shall be

effected or to require railroads engaging in interstate commerce to make such rules for their own protection and provide for their enforcement.

Throughout this inquiry the thought has repeatedly suggested itself that many of the problems presented must rest for their solution in the character and intelligence of the railroad managers—their foresight, initiative, adaptability, and public spirit. If it be true, as railroad men have said, that the railroads have not kept pace with the growth of the country, it must be remembered that it is within the right of a private enterprise to restrict its obligations to its known capacity without becoming subject to the slightest criticism, whereas the measure of a common carrier's obligations is undetermined and without limitation save in the demand of the public for transportation. Whatever of criticism, therefore, is to be expressed should in justice be tempered by a consciousness of the novel and perhaps unparalleled difficulties which the problem of American railroad transportation to-day presents.

This demand, however, the shipping and producing public is certainly justified in making—that every railroad shall do its utmost, not alone in and of itself, but by community of action with other roads, to render the service which is imperatively needed, and shall act in supreme good faith in endeavoring to organize and equip itself for such service. Methods which were sufficient to fully meet the needs of the largely localized traffic of a few years since are at this time properly subject to reexamination. Policies which hitherto have sufficed, if found satisfactory to the most exacting of stockholders, should now be reconsidered with respect to the requirements of new conditions and much broader considerations. The most conservative critic must hold that proper coordination of departments within individual roads and intelligent cooperation between independent roads, within entirely lawful lines, would leave far less foundation for criticism of car service than may at present be justly made.

HARLAN, *Commissioner:*

Little need be added to what is said by Commissioner Lane in his report on the car-shortage investigation. The evidence adduced before us at Minneapolis and Chicago clearly established these facts:

1. The inability of the carriers in the Northwest and in some other parts of the country to move the traffic ready for shipment not only results in financial loss to the particular shipper, but is reflected back in some cases to the business and prosperity of entire communities. In individual cases the loss thus suffered is substantial and often severe and the aggregate must be very large.

2. The railroad companies in order to meet the demands of increased traffic are making huge expenditures of money for additions to their car and locomotive equipment, the enlargement of their terminal facilities, and the extension of their trackage.

3. The evidence seems to amount to a demonstration that there can and ought to be improvement in the car service and in the operation of terminals. It was conceded both by the railroad men and by the shippers who came before us that cars are constantly used by shippers as warehouses, and that the time allowed to shippers for loading and

unloading is in excess of real necessity and to some extent is responsible for the congestion at terminals and the consequent car shortage at points on the line. There was evidence offered at Chicago tending to show that the reconsignment privilege granted by the carriers to coal dealers is often abused. It was agreed by the shippers as well as by the railroad men that these privileges should be curtailed.

4. It is reasonably clear that there can be immediate improvement in the switching of cars in and out of terminals. The delay of many days in setting a car at the unloading point and in getting the loaded car out of the switching district and on its way to destination is often not only unexplained, but apparently inexcusable.

Reform in most of these matters lies wholly in the hands of the railroad companies and the shippers themselves. Possibly if more extensive powers were lodged in the Commission in dealing with terminal conditions it might result advantageously.

The efficacy of the proposed reciprocal demurrage legislation was not satisfactorily demonstrated by the witnesses who appeared before us. In my judgment, such a measure ought to have very full consideration before being enacted. It seems not improbable that if the railroads are penalized by Federal legislation for failing to supply cars for interstate commerce, the local commerce of the States in times of stress may be wholly neglected by the carriers in order to avoid such penalties, unless the Federal legislation is promptly followed by State legislation of the same nature. Such legislation without providing also for the compulsory interchange of cars would tend to compel carriers to keep all their cars on their own tracks in order to avoid demurrage penalties, and thus break up the advantages now enjoyed by shippers of through transportation. Some railroad men of prominence appearing before us seemed to think that the more effective regulation of the interchange of cars by carriers would of itself go far toward remedying the present car shortage. There seem to be strong reasons for thinking that the proposed car pool or car clearing house would result in a more effective car service. If some such adjustment can not be reached by the companies themselves, it may be that legislation will become desirable and necessary.

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